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St. Louis and
San Francisco Railroad...

Reorganization of St.
Louis and San Francisco...

[New York]

[1916?]

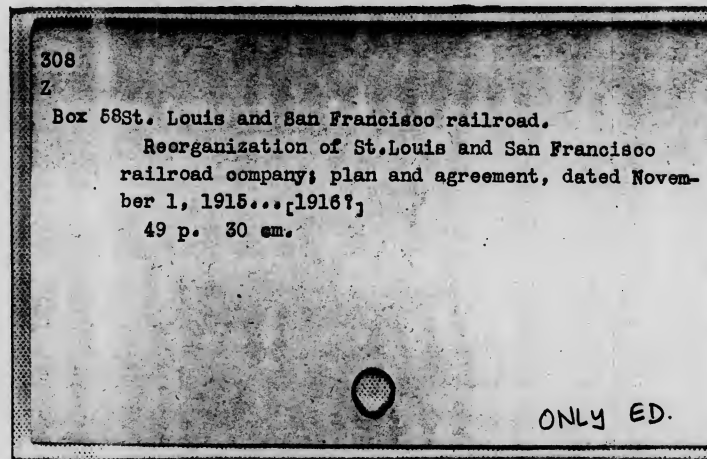
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Prof. E. & A. Seligman
1916

OCT 27 1916

REORGANIZATION

OF

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

Plan and Agreement,

Dated November 1, 1915.

Reorganization Managers:

J. & W. SELIGMAN & CO.

SPEYER & CO.

Depositories:

CENTRAL TRUST COMPANY OF NEW YORK,
MISSISSIPPI VALLEY TRUST COMPANY, ST. LOUIS,
BERLINER HANDELS-GESELLSCHAFT, BERLIN,
ASSOCIATIE CASSA, AMSTERDAM,

for
Refunding Mortgage Bonds.

BANKERS TRUST COMPANY, NEW YORK,
for
General Lien 15-20 Year Gold Bonds.

GUARANTY TRUST COMPANY OF NEW YORK,
for
Stock.

CENTRAL TRUST COMPANY OF NEW YORK,
for
other securities embraced in Plan.

Ms. B. 12. June 28, 1916

REORGANIZATION

OF

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

The undersigned have been for a long time engaged in an examination of the affairs of the St. Louis and San Francisco Railroad System, and the relative value and earning capacity of its various lines, with a view to formulating a Plan of Reorganization which would fairly recognize the rights of the security-holders. Much time and attention have been devoted to acquiring knowledge as to details, and a careful expert examination of the Company's operations and physical condition, and of its financial requirements, has been made by Mr. J. W. Kendrick. The following plan for the reorganization of the System has been formulated which it is expected will accomplish, among other things, the following results :

- (a) Reduction of the fixed charges to a limit believed to be safely within the net earning capacity of the reorganized property ;
- (b) Adequate capital provision for present and future requirements ;
- (c) Payment or adjustment of all debts, guaranties, etc., and provision for existing equipment trust obligations ;
- (d) The preservation of the parts of the System deemed advantageous, and such control for the reorganized property as shall safeguard the rights of security holders.

Having these objects in view, the annexed Plan has been prepared, and Messrs. J. & W. Seligman & Co. and Speyer & Co. have undertaken to act as Reorganization Managers to carry out the Plan.

New York, February 21, 1916.

FREDERICK STRAUSS,
JAMES N. WALLACE,
ALEXANDER J. HEMPHILL,
EDWIN G. MERRILL,
HARRY BRONNER,
C. W. COX,
BRECKINRIDGE JONES,

Committee representing Holders of St. Louis and San Francisco Railroad Company Refunding Mortgage Bonds, deposited under the Agreement dated June 20, 1914.

SPEYER & CO.,

Representing Holders of St. Louis and San Francisco Railroad Company General Lien 15-20 Year Five Per Cent. Bonds, deposited under the Agreement dated May 28, 1913.

L. C. KRAUTHOFF,

Representing Office National des Valeurs Mobilières, Paris, and le Comité de Défense des porteurs français d'obligations St. Louis and San Francisco Railroad Company General Lien Five Per Cent. Gold Bonds, French Series; and as Attorney-in-fact for depositing holders of such bonds.

PLAN AND AGREEMENT
FOR THE
REORGANIZATION
OF
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

**BONDS, TRUST CERTIFICATES AND STOCK WHICH MAY BE DEPOSITED
UNDER THE PLAN AND AGREEMENT ON THE TERMS STATED IN
THE PLAN:**

St. Louis and San Francisco Railroad Company, Refunding Mortgage Four Per Cent. Gold Bonds.

Depositories.

Central Trust Company of New York.
Mississippi Valley Trust Company, St. Louis.
Berliner Handels-Gesellschaft, Berlin.
Associatie Cassa, Amsterdam.

St. Louis and San Francisco Railroad Company, General Lien 15-20 Year Five Per Cent. Gold Bonds.

Depository.

Bankers Trust Company, New York.

St. Louis and San Francisco Railroad Company, Consolidated Mortgage Four Per Cent. Gold Bonds.

St. Louis and San Francisco Railroad Company, Southwestern Division First Mortgage Five Per Cent. Gold Bonds.

St. Louis and San Francisco Railroad Company, Central Division First Mortgage Four Per Cent. Gold Bonds.

St. Louis and San Francisco Railroad Company, Northwestern Division First Mortgage Four Per Cent. Gold Bonds.

St. Louis and San Francisco Railway Company, Trust Mortgage Five Per Cent. Gold Bonds of 1887.

St. Louis and San Francisco Railway Company, Trust Mortgage Six Per Cent. Gold Bonds of 1880.

St. Louis and San Francisco Railway Company, Missouri and Western Division First Mortgage Six Per Cent. Gold Bonds.

St. Louis, Wichita and Western Railway Company, First Mortgage Six Per Cent. Gold Bonds.

St. Louis and San Francisco Railroad Company, Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Preferred Stock Trust Certificates.

Muskogee City Bridge Company, First Mortgage Five Per Cent. Gold Bonds.

St. Louis, Memphis and Southeastern Railroad Company, First Mortgage Four Per Cent. Gold Bonds.

Chester, Perryville & Ste. Genevieve Railway Company, First Mortgage Five Per Cent. Gold Bonds.

Pemiscot Railroad Company, First Mortgage Six Per Cent. Gold Bonds.

Kennett & Osceola Railroad Company, First Mortgage Six Per Cent. Gold Bonds.

Southern Missouri and Arkansas Railroad Company, First Mortgage Five Per Cent. Gold Bonds.

Fort Worth and Rio Grande Railway Company, First Mortgage Four Per Cent. Gold Bonds.

Quanah, Acme and Pacific Railway Company, First Mortgage Six Per Cent. Gold Bonds.

Depository.

Central Trust Company of New York.

St. Louis and San Francisco Railroad Company, First Preferred Stock.
 St. Louis and San Francisco Railroad Company, Second Preferred Stock.
 St. Louis and San Francisco Railroad Company, Common Stock.

Depository.
 Guaranty Trust Company of New York.

All bonds and trust certificates deposited must be in negotiable form and all stock certificates and registered bonds deposited must be either endorsed in blank for transfer or accompanied by proper transfers in blank duly executed. The Refunding Mortgage Four Per Cent. Gold Bonds must bear the coupon maturing July 1, 1914, and all subsequent coupons; the General Lien 15-20 Year Five Per Cent. Gold Bonds must bear the coupon maturing May 1, 1914, and all subsequent coupons; other bonds must bear all coupons maturing after July 1, 1916. All references in the Plan and in the accompanying Agreement to said bonds, shall, unless the context otherwise requires, be deemed to include also the respective coupons stated. All securities and all certificates of stock must bear proper stamps for transfer in New York.

OTHER BONDS AND NOTES AND CLAIMS DEALT WITH IN THE REORGANIZATION.

St. Louis and San Francisco Railroad Company,
 New Orleans, Texas and Mexico Division First Mortgage Gold Bonds.
 St. Louis and San Francisco Railroad Company, Two Year Five Per Cent. Secured Gold Notes.
 St. Louis and San Francisco Railroad Company, Two Year Six Per Cent. Secured Gold Notes.
 St. Louis and San Francisco Railroad Company,
 Trust Certificates
 for Preferred Stock, Chicago and Eastern Illinois Railroad Company
 for Common Stock, Chicago and Eastern Illinois Railroad Company.
 Ozark & Cherokee Central Railway Company First Mortgage Five Per Cent. Gold Bonds.
 Other Debt Secured and Unsecured.

SECURITIES UNDISTURBED IN THE REORGANIZATION.

St. Louis and San Francisco Railway Company,
 General Mortgage Five Per Cent. and Six Per Cent. Gold Bonds, Due 1931.
 St. Louis and San Francisco Railroad Company,
 All Equipment Trust Obligations maturing after July 1, 1917.
 Kansas City, Fort Scott and Memphis Railway Company System,
 All Bonds.

CONDITIONS OF PARTICIPATION.

This Plan and Agreement has been prepared and adopted by the Committee constituted under the agreement dated June 20, 1914, of Holders of Four Per Cent. Gold Bonds of St. Louis and San Francisco Railroad Company, issued under the Refunding Mortgage, dated June 20, 1901, and a copy of this Plan and Agreement has been, or will be, lodged with each of the Depositories under said agreement of June 20, 1914. Notice of the fact of the approval and adoption will be given in accordance with the provisions of said agreement. Every holder of a certificate of deposit under said agreement of June 20, 1914, who shall not exercise the right of withdrawal conferred by said agreement within the period therein limited, shall be conclusively and finally deemed for all purposes to have irrevocably waived the right of withdrawal given by said agreement, and this Plan and Agreement shall be binding on all holders of certificates of deposit who shall not so withdraw their deposited bonds. The rights of such holders of certificates of deposit, however, shall be such only as are conferred by this Plan and Agreement and shall be subject to compliance with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof. Holders of certificates of deposit not so exercising such right of withdrawal will be entitled to the benefits of this Plan and Agreement without the issue of new certificates.

Holders of Refunding Mortgage Bonds not heretofore deposited under the agreement of June 20, 1914, may, on or before **April 3, 1916**, deposit with some one of the Depositories under said agreement their said bonds with the coupon maturing July 1, 1914, and subsequent coupons attached, and shall receive therefor certificates of deposit of such Depository issued under that agreement.

This Plan and Agreement has been prepared and adopted by Speyer & Co. acting under the agreement dated May 28, 1913, between Speyer & Co. and Holders of General Lien 15-20 Year Five Per Cent. Gold Bonds of St. Louis and San Francisco Railroad Company, and a copy of this Plan and Agreement with their written adoption and approval thereof has been, or will be, lodged by Speyer & Co. with the Depository under said agreement of May 28, 1913. Notice of the fact of such adoption and approval and of the lodging of a copy thereof with said Depository will be given in accordance with the provisions of said agreement of May 28, 1913. All holders of certificates of deposit under said agreement of May 28, 1913, who shall not exercise the right of withdrawal conferred by said agreement within the period therein limited, shall be deemed to have assented to this Plan and Agreement and shall be bound thereby without further act or notice, but, notwithstanding, the rights of such holders of certificates of deposit shall be such only as are conferred by this Plan and Agreement and shall be subject to compliance with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof. Holders of certificates of deposit not so exercising such right of withdrawal will be entitled to the benefits of this Plan and Agreement without the issue of new certificates.

Holders of General Lien 15-20 Year Five Per Cent. Gold Bonds not heretofore deposited under the agreement of May 28, 1913, may, on or before **April 3, 1916**, deposit with the Depository under said agreement of May 28, 1913, their said bonds with the coupon maturing May 1, 1914, and subsequent coupons attached, and shall receive therefor certificates of deposit of said Depository issued under that agreement.

This Plan and Agreement has been prepared and adopted by the Comité de Défense of French Holders of General Lien 15-20 Year Five Per Cent. Gold Bonds of St. Louis and San Francisco Railroad Company, French Series, and by the Office National des Valeurs Mobilières, Paris, under whose direction and auspices said Comité de Défense was established, and a large number of said holders (1) have executed a power of attorney in the form annexed to and made a part of the Instrument of Designation executed by L. C. Krauthoff, Esq., the Attorney-in-fact of said holders, dated August 5, 1915, of the Bankers Trust Company as Depository for such bonds,

and (2) have made deposit of said bonds subject to such respective powers of attorney with said Depositary. The written assent of said Attorney-in-fact to this Plan and Agreement filed with said Depositary and the written direction of said Attorney-in-fact to said Depositary to hold the bonds and coupons at any time received by said Depositary subject to this Plan and Agreement and to the order of the Reorganization Managers for the purposes of carrying the Plan and Agreement into effect, shall operate as the assent to this Plan and Agreement by all holders of certificates of deposit at any time issued by said Depositary, or by any of its agents, including The Equitable Trust Company of New York (Paris Branch), and then outstanding, and all such holders shall be bound by such assent so expressed without further act or notice. The rights of such holders of certificates, however, shall be such only as are conferred by this Plan and Agreement and shall be subject to compliance with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof. Holders of such certificates of deposit shall be entitled to the benefits of this Plan and Agreement without the issue of new certificates. At the request of the Reorganization Managers said Depositary shall stamp all powers of attorney deposited with it so as to indicate that such holders have assented to this Plan and Agreement.

Holders of General Lien 15-20 Year Five Per Cent. Gold Bonds, French Series, may, on or before **April 3, 1916**, deposit with said Depositary, or one of its agents, their said bonds with the coupon maturing May 1, 1914, and subsequent coupons attached, accompanied by a properly executed power-of-attorney to said Attorney-in-fact, in substantially said form, and shall receive therefor certificates of deposit of said Depositary issued pursuant and subject to the powers conferred by said power-of-attorney, and stamped as assenting to this Plan and Agreement.

Pursuant to the arrangement with the Purchase Syndicate hereinafter stated, **holders of First Preferred, Second Preferred and Common Stock** of St. Louis and San Francisco Railroad Company, complying with the terms and conditions of this Plan and Agreement, may, to the extent hereinafter stated, purchase from the Purchase Syndicate new Prior Lien Mortgage Five Per Cent. Gold Bonds and new Common Stock (trust certificates) at the price and on the terms hereinafter prescribed. Holders of said stocks in order to become entitled to the benefits of the Plan and to obtain such right of purchase, must deposit their said stock with Guaranty Trust Company of New York, the Depositary for that purpose, on or before **April 3, 1916**, and **at the time of such deposit must pay to said Depositary** the sum of **\$5** for each share deposited. Certificates of deposit of said Depositary will be issued for all stock so deposited and in respect of which payment shall be so made.

Holders of other securities called for deposit under the Plan must, on or before **April 3, 1916**, deposit their securities with all coupons maturing after July 1, 1916, with Central Trust Company of New York, the Depositary for that purpose, and shall receive therefor certificates of deposit of said Depositary in form approved by the Reorganization Managers.

No estimate, statement, explanation, or suggestion contained in the Plan or the accompanying Agreement or in any circular issued or which may hereafter be issued by the Refunding Mortgage Bondholders' Committee, or by Speyer & Co. as Representatives of the General Lien Mortgage Bondholders, or by the Comité de Défense of French Holders of General Lien 15-20 Year Five Per Cent. Gold Bonds, French Series, or by the Office National des Valeurs Mobilières, Paris, or by their Representative, or by the Reorganization Managers, or by any of the Depositaries or by any one else, is intended or is to be accepted as a warranty or as a condition of deposit or assent under the Plan or the accompanying Agreement and no defect or error shall release

any deposit under the Plan and the accompanying Agreement or affect or release any asset thereto or affect or release any payment made or action taken pursuant thereto except by written consent of the Reorganization Managers.

The securities and moneys deposited and paid under the Plan or by the terms hereof becoming subject to the Plan, will be held by the respective Depositaries subject to the order and control of the Reorganization Managers as provided in the Reorganization Agreement.

All securities deposited under the Plan or otherwise becoming subject to the Plan are to be kept alive so long as deemed necessary by the Reorganization Managers for the purposes of reorganization or the protection of the New Company or its security holders. Unless the context shall otherwise require, the term *securities* wherever used in this Plan and in the accompanying Agreement shall be deemed to include stocks.

NEW RAILROAD COMPANY.

It is contemplated that the various properties will be sold under foreclosure of the Refunding Mortgage or the General Lien Mortgage or both mortgages or under the general creditors' bill or otherwise dealt with, and a successor company or companies will be organized wherever the Reorganization Managers in their discretion may determine. The term New Company wherever used in this Plan or in the accompanying Agreement is intended to mean such company as the Reorganization Managers may determine to utilize for the purposes of the Plan. In case delay should occur in acquiring any of the mortgaged lines of railroad embraced in the Plan, the execution of the Plan will not necessarily be postponed for that reason but the existing bonds upon such lines deposited under the Plan may be pledged under the Prior Lien Mortgage as security for the bonds issued thereunder and, subject thereto, first under the Adjustment Mortgage and then under the Income Mortgage, until such lines of railroad shall be acquired by the New Company and subjected in like order of priority to the liens of said mortgages.

It is contemplated that as a consideration for the property and securities to be conveyed and delivered to the New Company, or which it shall acquire pursuant to the Plan, it shall deliver its bonds and stock, excepting such final amounts thereof as shall be reserved for the future use of the New Company.

If, however, the Reorganization Managers shall, in carrying out the Plan, acquire for the purposes of the reorganization, all the outstanding stock and First Mortgage Six Per Cent. Gold Bonds of New Mexico and Arizona Land Company, it is intended that such Land Company, or its properties, or its stock and securities so acquired, shall be recapitalized or capitalized at \$1,000,000 common stock, authorized and issued, and that on the completion of the reorganization \$500,000 par amount of such recapitalized Land Company stock be distributed among outstanding holders of certificates of deposit for deposited stock of St. Louis and San Francisco Railroad Company of all classes in proportion to the par amounts of deposited stock represented by the respective certificates of deposit (see page 22).

NEW BONDS AND STOCKS.

All bonds will be payable in gold coin of the United States of America and both as to principal and interest will be payable so far as permitted by law, without deduction for Federal, State and Municipal taxes in the United States; and provision may be made that, if so determined, the principal or interest or both of any of the bonds may be made payable (1) in the City of New York only or (2) in said city and also in one or more American cities or foreign cities or countries or (3) only in one or more foreign cities or countries; and also in case any bonds of any series shall be payable as to principal or interest, or both, in any foreign country or countries, such bonds may be made payable in the currency or the respective currencies there current, at fixed rates of exchange, and may contain appropriate provisions as may be requisite or expedient to conform to the requirements of law or of commercial usage in the foreign country or countries in which they may be made payable including provisions requiring the payment of the principal or interest thereof without deduction for taxes; and the bonds of any series may be expressed also in one or more foreign language or languages, the English language, however, to govern in the construction thereof.

It is intended, as far as deemed advisable, to vest directly in the New Company, the lines of railroad of companies the stocks of which are owned by the existing company and which may be acquired in the reorganization, so that the new Prior Lien Mortgage, Adjustment Mortgage and Income Mortgage may be made as far as deemed by the Reorganization Managers practicable, direct liens in their relative order of priority. The form and terms of the respective mortgages and of the bonds to be issued under them shall, in all respects not expressly determined by the Plan, be such as shall be approved by the Reorganization Managers.

The New Company is to authorize the following securities :

PRIOR LIEN MORTGAGE GOLD BONDS.

The Prior Lien Mortgage Bonds will be limited to the total authorized amount of **\$250,000,000** at any one time outstanding. They will bear interest, payable semi-annually, at such rate not exceeding six per cent. per annum as may from time to time be determined by the board of directors at the time of issue and stated in the bonds, and are to be secured by mortgage and deed of trust to CENTRAL TRUST COMPANY OF NEW YORK and some individual as Trustees, which it is intended shall embrace all or substantially all the lines of railroad, franchises and equipment, terminals and other property (including stocks and bonds), except as otherwise dealt with under the Plan, acquired by the New Company pursuant to the Plan and also all additional property of every character (including stocks and bonds) at any time thereafter acquired by the New Company. They may be issued in separate series maturing on the same or different dates and any series may be made redeemable in whole or in part, at times, on notice and at premiums as may be determined at the time of issue and stated in the bonds of such series. Under the Prior Lien Mortgage the New Company will reserve the right to retire any series in whole or in part and to issue for such purposes and under such restrictions as may be prescribed in that behalf in said mortgage, the like aggregate principal amount of bonds in another series or in other series, bearing the same or different rates of interest as the series retired and with such maturity or maturities as the board of directors may determine.

The Prior Lien Mortgage Bonds are to be issued, or are to be reserved for issue under the Prior Lien Mortgage, for the following purposes :

In partial exchange for existing securities embraced in the Plan	\$93,398,500
Sold to Purchase Syndicate	25,000,000
For the corporate purposes of the New Company	6,811,500
Reserved to retire \$5,306,000 Equipment Trust Certificates maturing after July 1, 1917	5,306,000
Reserved to retire \$9,484,000 St. Louis and San Francisco Railway Company General Mortgage 5% and 6% Bonds due 1931, undisturbed	9,484,000
Reserved for issue after January 1, 1917, at par, for new equipment :	32,500,000
Issuable prior to January 1, 1922, for entire cost at the rate of \$2,000,000 annually, cumulative until January 1, 1922	\$10,000,000
Issuable after January 1, 1922, for two-thirds of cost at the cumulative rate of \$4,000,000 biennially	22,500,000
Reserved for issue after January 1, 1917, at par, for improvements and betterments and for additions other than new mileage constructed or acquired :	32,500,000
Issuable prior to January 1, 1922, for entire cost at the rate of \$3,000,000 annually, cumulative until January 1, 1922	15,000,000
Issuable after January 1, 1922, for two-thirds of cost at the cumulative rate of \$4,000,000 biennially	17,500,000
Any of the bonds reserved for equipment which may not have been issued for that purpose are to be also available for issue after January 1, 1933 for improvements and betterments and for additions other than new mileage constructed or acquired and may be issued for two thirds of cost at the cumulative rate, for all bonds issuable for such respective purposes, of \$4,000,000 biennially.	
Reserved for issue at par to meet the cost of construction of new mileage or of the acquisition of other lines of railroad or stocks or bonds representative thereof	45,000,000
Any of the bonds reserved to meet the cost of construction of new mileage or acquisition of existing lines, which may not have been issued for that purpose prior to January 1, 1931, are to be also available for issue thereafter for equipment or for improvements, betterments and additions, and may be issued for two thirds of cost at the cumulative rate for all bonds issuable for such respective purposes, of \$4,000,000 biennially.	
	<u>\$250,000,000</u>

Of the Prior Lien Mortgage Bonds there are to be presently issued and delivered under the Plan :

\$93,398,500 Series A, Four Per Cent., maturing July 1, 1950, redeemable at par and accrued interest,
\$31,811,500 Series B, Five Per Cent., maturing July 1, 1950, redeemable at 105 and accrued interest.

The Series A Bonds will be applied in partial exchange for existing securities.
The Series B Bonds will be applied as follows :

Sold to Purchase Syndicate	\$25,000,000
For the corporate purposes of the New Company	6,811,500
	<u>\$31,811,500</u>

The Prior Lien Mortgage Bonds, Series A, provided to be presently issued and delivered under the Plan in partial exchange for existing securities, so far as not used in such exchange are to be reserved for such purpose under restrictions to be fixed by the Reorganization Managers, but if in the judgment of the Reorganization Managers it will facilitate the carrying out of the Plan to provide cash for the purposes for which such bonds might otherwise be reserved, they may sell such bonds in whole or in part and may cause the bonds so to be sold to be issued as Series B Bonds, Five Per Cent.

CUMULATIVE ADJUSTMENT MORTGAGE GOLD BONDS.

The Adjustment Mortgage Bonds will be limited to the total authorized amount of \$75,000,000 at any one time outstanding. They are to be secured by mortgage and deed of trust to BANKERS TRUST COMPANY and some individual as Trustees, on the properties embraced in the Prior Lien Mortgage and from time to time becoming subject thereto. The Adjustment Mortgage will be subject to the Prior Lien Mortgage and to the prior payment out of the mortgaged property of all bonds at any time issued and outstanding under the Prior Lien Mortgage. The Adjustment Mortgage Bonds are to bear interest, payable annually or semi-annually as may be provided in the Adjustment Mortgage, at such rate not exceeding six per cent. per annum as may from time to time be determined by the board of directors at the time of issue and stated in the bonds but payable, prior to the maturity of the principal, only out of the Available Net Income of the New Company as hereinafter stated (see page 13) and as shall be defined in the Adjustment Mortgage. The New Company, however, will not be required in any year to pay interest except in amounts of one-quarter of one per cent. or some multiple thereof, but any fractional amount not so distributed shall be carried forward into the next interest period. The interest on the Adjustment Mortgage Bonds will be cumulative but accumulations of interest shall not bear interest (see page 13). At the maturity of the principal, all arrears of interest shall be payable. The Adjustment Mortgage Bonds may be issued in separate series, maturing on the same or different dates, and any series may be made, in whole or in part, redeemable at the election of the New Company at times, on notice and at premiums as may be determined at the time of issue and stated in the bonds of such series but in all cases with accrued interest. Under the Adjustment Mortgage the New Company will reserve the right to retire any series in whole or in part and to issue for such purposes and under such restrictions as may be prescribed in that behalf in said mortgage, the like aggregate principal amount of bonds in another series or in other series, bearing the same or different rates of interest as the series retired and with such maturity or maturities as the board of directors may determine.

The Adjustment Mortgage Bonds are to be issued, or are to be reserved for issue under the Adjustment Mortgage, for the following purposes :

In partial exchange for existing securities embraced in the Plan.....	\$40,547,818
Reserved for equipment, to be issued at par after January 1, 1922, at the cumulative rate of \$2,000,000 biennially, for one-third of the cost of equipment purchased.....	10,000,000
Reserved for improvements and betterments and for additions other than new mileage constructed or acquired, to be issued at par after January 1, 1922, at the cumulative rate of \$2,000,000 biennially, for one-third of cost	10,000,000
Reserved to be issued at par after January 1, 1932, at the cumulative rate of \$3,000,000 annually for that part of the cost of improvements and betterments and for additions other than new mileage constructed or acquired, in respect of which Prior Lien Mortgage Bonds shall not be issued	14,452,182
Any bonds reserved for any of the aforesaid purposes which shall not have been issued for the purpose for which they shall be reserved are to be available for issue after January 1, 1932, also for any other of said purposes in addition to the bonds specifically reserved therefor and under the like restrictions.	
	<hr/> \$75,000,000 <hr/>

Of the Adjustment Mortgage Bonds, \$40,547,818, Series A, Six Per Cent., carrying interest from July 1, 1915, maturing July 1, 1955, and redeemable at par and accrued interest, are presently to be issued and delivered under the Plan and to be applied in partial exchange for existing securities.

INCOME MORTGAGE GOLD BONDS.

The Income Mortgage Bonds will be limited to the total authorized amount of **\$75,000,000** at any one time outstanding. They are to be secured by mortgage and deed of trust to UNION TRUST COMPANY OF NEW YORK and some individual as Trustees on the properties embraced in the Prior Lien Mortgage, and from time to time becoming subject thereto. The Income Mortgage will be subject to the Prior Lien Mortgage and to the Adjustment Mortgage and to the prior payment out of the mortgaged property of all bonds at any time issued and outstanding under the Prior Lien Mortgage, and of all bonds at any time issued and outstanding under the Adjustment Mortgage. The Income Mortgage Bonds are to bear interest, payable annually or semi-annually as may be provided in the Income Mortgage, at such rate not exceeding six per cent. per annum as may from time to time be determined by the board of directors at the time of issue and stated in the bonds but payable only out of the Available Net Income of the New Company as hereinafter stated (see page 13) and as shall be defined in the Income Mortgage, but only after the payment therefrom of all interest on the Adjustment Mortgage Bonds. The New Company, however, will not be required to pay interest except in amounts of one-quarter of one per cent. or some multiple thereof, but any fractional amount not so distributed will be carried forward into the next interest period. THE INTEREST ON THE INCOME MORTGAGE BONDS WILL NOT BE CUMULATIVE. The Income Mortgage Bonds may be issued in separate series maturing on the same or different dates and any series may be made in whole or in part redeemable at the election of the New Company at times, on notice and at premiums as may be determined by the board of directors at the time of issue and stated in the bonds of such series. Under the Income Mortgage the New Company will reserve the right to retire any series in whole or in part and to issue for such purposes and under such restrictions as may be prescribed in that behalf in said mortgage, the like aggregate principal amount of bonds in another series or in other series, bearing the same or different rates of interest as the series retired and with such maturity or maturities as the Board of Directors may determine.

The Income Mortgage Bonds are to be issued, or are to be reserved for issue under the Income Mortgage, for the following purposes :

To be issued in partial exchange for existing securities embraced in the Plan and for adjustment of Outstanding Indebtedness; bonds not used or required to be reserved for that purpose to be available for corporate purposes of the New Company.....	\$35,192,000
Reserved for issue at par after January 1, 1922, at the cumulative rate of \$2,000,000 annually for improvements, betterments and additions and equipment.....	20,000,000
Reserved for issue at par after January 1, 1932, at the cumulative rate of \$3,000,000 annually for improvements, betterments and additions and for equipment.....	19,808,000
	<hr/> \$75,000,000 <hr/>

Of the Income Mortgage Bonds **\$35,192,000**, Series A, Six Per Cent., ranking for interest from July 1, 1915, maturing July 1, 1960, redeemable at par, and interest for proportionate part of current interest period, are presently to be issued and delivered under the Plan and to be applied in partial exchange for existing securities and for adjustment of Outstanding Indebtedness.

PREFERRED STOCK.

The Preferred Stock will be entitled to receive for any fiscal year dividends at such rate NOT EXCEEDING SEVEN PER CENT. per annum and no more as may be from time to time determined by the board of directors at the time of issue thereof and stated in the certificates therefor BUT SUCH DIVIDENDS WILL NOT BE CUMULATIVE. Subject further as hereinafter stated (see page 13), no dividend shall be declared or paid on the Common Stock for any fiscal year until full dividends have been paid or set aside on the Preferred Stock for such fiscal year and no dividend shall be paid on the Preferred Stock for any fiscal year other than out of the net income for such fiscal year applicable to the payment of dividends, unless for the two fiscal years next preceding, the full interest shall have been paid on the outstanding Income Mortgage Bonds. The Preferred Stock may be issued in series and any series may be made in whole or in part redeemable at the election of the Company on such terms, on such notice and at such premiums as the board of directors may determine at the time of issue and be stated in the certificates of such series.

The Preferred Stock will be applied as follows :

For adjustment of Outstanding Indebtedness (to be issued as <u>SIX PER CENT.</u> Stock, and to be redeemable, if allowed by law, at par and proportionate dividend for current dividend period), any stock not so used to be available for the corporate purposes of the New Company.....	\$ 7,000,000
Reserved for future issue for corporate purposes, not exceeding.....	193,000,000
	<hr/> \$200,000,000

COMMON STOCK.

The Common Stock will be applied as follows :

For sale to Purchase Syndicate.....	\$ 43,180,000
For adjustment of Outstanding Indebtedness, any stock not so used to be available for the corporate purposes of the New Company.....	5,300,000
Reserved for future issue for corporate purposes, not exceeding.....	201,520,000
	<hr/> \$250,000,000

The Reorganization Managers may, in the course of the reorganization, procure the issue of securities or stock of the New Company for any of the purposes for which such securities or stock would otherwise be reserved pursuant to the Plan, and under like restrictions.

So far as the reorganization or the issue of securities or stock under the Plan may be subject to the approval or authorization of any public utilities or public service commission in any state in which any part of the property is situated or in which the Reorganization Managers may in their discretion determine to organize the New Company, or of any other commission having authority in the premises, the amount of capitalization to be issued in the reorganization may be reduced by such amount as the Reorganization Managers may in their discretion determine, in order to comply with the order of, or to obtain the authorization or approval of, any such commission. In the event of such reduction of capitalization, the whole of such reduction shall be made in Common Stock and in the amount of stock trust certificates to be sold to the Purchase Syndicate and by it in turn offered to depositing stockholders of the three classes: the amounts of stock trust certificates deliverable, respectively, under the three classes of Purchase Warrants and Fully Paid Subscription Certificates being reduced by an equal percentage.

INCOME AVAILABLE FOR CONTINGENT INTEREST CHARGE.

The net income for any fiscal year as that term is defined in the accounting rules of the Interstate Commerce Commission from time to time in force, but without deduction in ascertaining net income, (1) for income transferred to other companies for capital purposes and (2) for interest on the Adjustment Mortgage Bonds and the Income Mortgage Bonds, shall be applicable to the payment of interest on the Adjustment Mortgage Bonds, and thereafter to the payment of interest on the Income Mortgage Bonds. The board of directors may first reserve therefrom such amount, within the limits hereinafter stated, as the board may in its discretion determine and the remainder shall constitute the Available Net Income for such year and shall, so far as necessary for the purpose, be applied to the payment of interest as aforesaid. For the purposes of determining the net income and the Available Net Income of the New Company for any fiscal year, which or any part of which may elapse before the mortgaged lines of railroad embraced in the Plan shall have been delivered to the New Company, the gross income of the receivers for such period shall be deemed gross income of the New Company for such period and shall be subject only to such deductions as would have been made if the mortgaged lines of railroad had been owned and operated by the New Company for such period and the new securities presently to be issued and delivered under the Plan had been issued and delivered July 1, 1915.

No amount shall be so reserved from the net income for any of the five fiscal years beginning with the establishment of the Voting Trust. The amount which may be so reserved in any fiscal year thereafter shall not exceed fifteen per cent. of the net income of the New Company for such fiscal year without deduction as aforesaid, nor in any event, \$660,000. The amounts so reserved and at any time unpaid shall not exceed, exclusive of interest, \$2,000,000 in the aggregate. No reservation from net income shall be made except during a period of ten years from and including the earliest fiscal year out of the net income for which, reservation shall be so made.

To the extent to which such reservation shall result in withholding from the Adjustment Mortgage Bonds any part of the full interest on the Adjustment Mortgage Bonds, the amount so withheld shall be carried to a fund to be designated Adjustment Mortgage Reserve Fund, and to the extent to which such deduction shall result also in withholding from the Income Mortgage Bonds payment of any part of the full interest on the Income Mortgage Bonds, the amount so withheld shall be carried to an account to be designated Income Mortgage Reserve Fund. From time to time, as any arrears of interest on the Adjustment Mortgage Bonds shall be paid out of subsequent Available Net Income, an amount equal to so much of the arrears so paid as would otherwise be applicable to the payment of interest on the Income Mortgage Bonds for such year and is withheld therefrom, shall be transferred from the Adjustment Mortgage Reserve Fund to the Income Mortgage Reserve Fund. The amounts carried to such Funds shall respectively constitute and be carried as corporate liabilities in the corporate accounts and shall carry interest at the rate of five per cent. per annum with semi-annual rests (see page 10). The Income Mortgage Reserve Fund shall be distributable solely to the Income Mortgage Bonds but no such distribution shall be made at a time when interest on the Adjustment Mortgage Bonds shall be in arrears. Subject as aforesaid, the Income Mortgage Reserve Fund may be so distributed in the discretion of the board of directors in any amount and at any time. Such distribution shall be in addition to the full interest accruing on the Income Mortgage Bonds, except that such distribution may be made in any year in payment in whole or in part of the interest on the Income Mortgage Bonds for such year if and to the extent and only if and to the extent that the Available Net Income for such year shall be insufficient after payment thereof of all interest on the Adjustment Mortgage Bonds, to pay the full interest for such year on the Income Mortgage Bonds. The Adjustment Mortgage and the Income Mortgage may provide for interim payments of interest out of accruing Net Income.

No dividend shall be declared on the stock of the New Company of any class unless at the time of such declaration all amounts in either Reserve Fund shall be set aside for distribution to the Bonds for which such Funds shall be held, and no such dividend shall be paid unless the amounts so set aside shall have been paid to the Corporate Trustee under the proper Mortgage for payment not later than the next succeeding interest date to the Bonds secured by such mortgage. All amounts in both Reserve Funds must be distributed to the bonds for which such amounts are held, not later than the interest day on such bonds next succeeding the expiration of the period of ten years from and including the earliest fiscal year out of the net income for which any reservation for either Reserve Fund shall have been made. Failure to make such payment shall constitute an event of default under the appropriate mortgage on the happening of which the principal of the bonds issued under such mortgage may become or be declared due.

PARTICULAR PROVISIONS IN MORTGAGES.

Provision will be made in the Prior Lien Mortgage and also in the Adjustment Mortgage and in the Income Mortgage to the effect

(a) that certified public accountants selected by the Corporate Trustees under the Prior Lien Mortgage, the Adjustment Mortgage and the Income Mortgage or a majority of them shall annually at the expense of the New Company audit the New Company's annual income statement and balance sheet and otherwise the accounts of the New Company as may be directed by such Corporate Trustees or a majority of them and in such detail as such Corporate Trustees or a majority of them may request, report thereon and on the New Company's financial condition, the report of such accountants to be filed in triplicate, a counterpart with the Corporate Trustees respectively, under the Prior Lien Mortgage, under the Adjustment Mortgage and under the Income Mortgage; and to be open to inspection by the holder of any bond issued under any of said mortgages;

(b) that the Corporate Trustees under the Prior Lien Mortgage, the Adjustment Mortgage and the Income Mortgage or a majority of them, may at any time appoint an expert in railroading to examine at the New Company's expense, the physical condition of the New Company's lines of railroad and equipment and otherwise as such Corporate Trustees or a majority of them may direct and in such detail as such Corporate Trustees or a majority of them may require, and report thereon and on the methods of operation; the report to be filed in triplicate, a counterpart with the Corporate Trustees respectively under the Prior Lien Mortgage, under the Adjustment Mortgage and under the Income Mortgage, and to be open to inspection by any holder of any bond issued under any of said mortgages;

(c) that the New Company shall in every annual report state in detail all of the stocks, bonds and other securities of the New Company or of any subsidiary company of its System pledged or sold by the New Company or its respective subsidiary companies during such year, and the amounts in each case realized from every such pledge or sale;

(d) that equipment coming under the lien of the mortgage shall always be maintained in proper condition and that depreciation thereon be fully provided for through the purchase of new equipment or otherwise without the issue of additional bonds under such mortgage, in such manner that the value and aggregate capacity of said equipment at all times shall not be less than the maximum value and aggregate capacity of said equipment at any time under such mortgage, and that reports shall be made annually to the Corporate Trustees respectively under the Prior Lien Mortgage, under the Adjustment Mortgage and under the Income Mortgage as to the value, capacity and condition of equipment, specifying by manufacturers' names and by marks and numbers all equipment under the lien of said mortgages and indicating particularly the marks and numbers of replacements and of the equipment so replaced; and that all new equipment as acquired, whether to replace old equipment or otherwise, shall be so marked as to identify it as equipment specified in such reports.

Provision may also be made in the New Mortgages for releases of any part of the System of the New Company or of any other property, and also permitting the New Company to such extent and under such restrictions as may be prescribed by the New Mortgages, to provide as it may determine for improvements, betterments and additions to the Kansas City, Fort Scott and Memphis Railway System for extensions and acquisitions and for equipment and to deal with obligations of that System and for these purposes to issue and renew bonds under any existing

mortgage of that System, and to issue new bonds of Kansas City, Fort Scott and Memphis Railway Company or of the New Company, secured on that System, or any part thereof, in priority to the existing lease of that System and to any lien of the New Mortgages on that System, but the aggregate prior mortgage indebtedness on that System shall not at any time exceed \$75,000,000.

OTHER RESTRICTIONS AND LIMITATIONS.

Provision is to be made that the New Company shall not create any additional mortgage, nor increase the amount of Preferred Stock authorized under the Plan, except in each instance after obtaining the consent of the holders of a majority of the whole amount of Preferred Stock outstanding, given at a meeting of the stockholders called for that purpose, and the consent of the holders of a majority of such part of the Common Stock as shall be represented at such meeting, the holders of each class of stock voting separately. During the existence of the Voting Trust, similar consent of holders of like amounts of the respective classes of certificates of beneficial interest shall also be necessary for the purposes indicated.

Provision is also to be made that neither the New Company nor any company controlled by it, shall purchase any line of railroad or take a lease of any line of railroad (other in either case than industrial tracks) or guarantee any part of the principal of, or interest on, any obligation of or any dividend or other payment on the stock of, any other company or acquire more than twenty-five per cent. in amount of the stock of any other company unless in each instance after obtaining the assent of the holders of a majority in amount of the outstanding stock present at a meeting of which not less than twenty days notice specifying such business to be acted on thereat, shall have been given in the same manner as may be provided in the by-laws for the Annual Meeting.

VOTING TRUST.

The Preferred and Common Stock of the New Company issued in the reorganization will be assigned (but in the event hereinafter stated, subject to the prior pledge thereof) to the following Voting Trustees: FREDERIC W. ALLEN, JAMES W. LUSK, CHARLES H. SABIN, JAMES SPEYER, FREDERICK STRAUSS, EUGENE V. R. THAYER and FESTUS J. WADE, and be held by them, jointly, and their successors (under a Trust Agreement prescribing their powers and duties and the method of filling vacancies), for five years. The Voting Trustees will issue certificates of beneficial interest entitling the registered holders thereof to receive, at the time and on the terms and conditions stated in the Voting Trust Agreement, stock certificates for shares of the number and class specified in such certificates, and in the meanwhile to receive payments equal to the dividends received by the Voting Trustees upon shares of the number and class therein specified. In the event of the death or failure or refusal to serve of any person designated as a Voting Trustee, prior to the creation of the Voting Trust, the vacancy shall be filled by the Reorganization Managers.

If, in their unrestricted discretion, the Reorganization Managers shall so determine, the Preferred and Common Stock of the New Company issued in the reorganization may be pledged as additional security for the Prior Lien Bonds for five years, and for that purpose be vested in the Corporate Trustee under the Prior Lien Mortgage by agreement made or approved by the Reorganization Managers, under which the voting power on the stock so pledged shall be exercised by the Corporate Trustee under the Prior Lien Mortgage as from time to time directed by the Voting Trustees, or in the absence of such direction or in case of default in the payment of any instalment of interest on any Prior Lien Bond, as directed by a majority of the Corporate Trustees under the Prior Lien Mortgage, the Adjustment Mortgage and the Income Mortgage.

DISPOSITION OF NEW SECURITIES.

PRIOR LIEN MORTGAGE GOLD BONDS.

Series A Bonds delivered in partial exchange for

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Refunding Mortgage Four Per Cent. Gold Bonds

General Lien 15-20 Year Five Per Cent. Gold Bonds

will carry interest from July 1, 1915.

Series A Bonds delivered in exchange or partial exchange for other securities will carry interest from July 1, 1916.

Series B Bonds will carry interest from January 1, 1916.

A. Series A, Four Per Cent., due 1950, redeemable at par and accrued interest.

To be used

in partial exchange for

	Amount Outstanding.	Amount of Prior Lien Mortgage Bonds Series A, 4%, Issued in partial exchange.
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY:		
Refunding Mortgage Four Per Cent. Gold Bonds....	\$68,557,000	\$51,417,750
General Lien 15-20 Year Five Per Cent. Gold Bonds..	69,384,000	17,346,000
Consolidated Mortgage Four Per Cent. Gold Bonds..	1,558,000	1,558,000
Southwestern Division First Mortgage Five Per Cent. Gold Bonds.....	829,000	1,036,250
Central Division First Mortgage Four Per Cent. Gold Bonds.....	145,000	181,250
Northwestern Division First Mortgage Four Per Cent. Gold Bonds.....	47,000	58,750
ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY:		
Trust Mortgage Five Per Cent. Gold Bonds of 1887..	439,000	548,750
Trust Mortgage Six Per Cent. Gold Bonds of 1880..	182,000	227,500
Missouri and Western Division First Mortgage Six Per Cent. Gold Bonds	74,000	92,500
ST. LOUIS, WICHITA AND WESTERN RAILWAY COMPANY:		
First Mortgage Six Per Cent. Gold Bonds.....	304,000	380,000
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY:		
Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Preferred Stock Trust Certificates.....	15,000,000	11,250,000
MUSKOGEE CITY BRIDGE COMPANY:		
First Mortgage Five Per Cent. Gold Bonds.....	100,000	125,000
ST. LOUIS, MEMPHIS AND SOUTHEASTERN RAILROAD COMPANY:		
First Mortgage Four Per Cent. Gold Bonds.....	225,000	281,250
CHESTER, PERRYVILLE & STE. GENEVIEVE RAILWAY COMPANY:		
First Mortgage Five Per Cent. Gold Bonds.....	140,000	175,000
FORT WORTH AND RIO GRANDE RAILWAY COMPANY:		
First Mortgage Four Per Cent. Gold Bonds.....	2,923,000	2,923,000
OZARK & CHEROKEE CENTRAL RAILWAY COMPANY:		
First Mortgage Five Per Cent. Gold Bonds (see page 26).....	2,880,000	3,600,000
QUANAH, ACME AND PACIFIC RAILWAY COMPANY:		
First Mortgage Six Per Cent. Gold Bonds.....	1,758,000	2,197,500

\$93,398,500

B. Series B, Five Per Cent. due 1950, redeemable at 105 and accrued interest.

Sold to Purchase Syndicate..... \$25,000,000

For the corporate purposes of the New Company..... 6,811,500

\$31,811,500

\$125,210,000

CUMULATIVE ADJUSTMENT MORTGAGE GOLD BONDS.
(carrying interest from July 1, 1915)

Series A, Six Per Cent., due 1955, redeemable at par and accrued interest.

To be used		Amount of 6% Cumulative Adjustment Mortgage Bonds, issued in partial exchange.
in partial exchange for		
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY:	Amount outstanding.	
Refunding Mortgage Four Per Cent. Gold Bonds	\$68,557,000	\$17,139,250
General Lien 15-20 Year Five Per Cent. Gold Bonds -----	69,384,000	19,658,568
Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Pre- ferred Stock Trust Certificates-----	15,000,000	3,750,000
		<hr/>
		\$40,547,818

INCOME MORTGAGE GOLD BONDS.
(ranking for interest from July 1, 1915)

Series A, Six Per Cent., due 1960, redeemable at par, and interest for proportionate part of current semi-annual interest period.

To be used		
in partial exchange for		
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY :	Amount outstanding.	Amount of 6% Income Mortgage Bonds.
General Lien 15-20 Year Five Per Cent. Gold Bonds-----	\$69,384,000	\$34,692,000
For adjustment of Outstanding Indebtedness, any bonds not so used to be available for the corporate purposes of the New Company-----		500,000
		<hr/>
		\$35,192,000

PREFERRED STOCK, SIX PER CENT.

For adjustment of Outstanding Indebtedness, any stock not so used to be available for the corporate purposes of the New Company	<u>\$7,000,000</u>
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COMMON STOCK.

For sale to Purchase Syndicate	\$43,180,000
For adjustment of Outstanding Indebtedness, any stock not so used to be available for the corporate purposes of the New Company	5,300,000
	<u>\$48,480,000</u>

TABLE OF DISTRIBUTION.

Non-interest bearing scrip exchangeable in round amounts will be issued for fractional amounts of new bonds and stock (trust certificates).

Existing Securities.	Each \$1,000 Face Value of Existing Securities to receive					
	Cash.	Prior Lien Bonds, Series A, 4%.	Prior Lien Bonds Series B, 5%.	Cumulative Adjustment Bonds, 6%.	Income Bonds, 6%.	Common Stock (trust certificates.)
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY:						
Refunding Mortgage Four Per Cent. Gold Bonds.....	See page 19	\$750		\$250		
General Lien 15-20 Year Five Per Cent. Gold Bonds.....	See page 19					
For principal.....		250		250	\$500	
For interest (see page 19).....				33.33		
Consolidated Mortgage Four Per Cent. Gold Bonds.....	\$100	1,000				
Southwestern Division First Mortgage Five Per Cent. Gold Bonds.....	(a)62.50	1,250				
Central Division First Mortgage Four Per Cent. Gold Bonds.....	(a)85	1,250				
Northwestern Division First Mortgage Four Per Cent. Gold Bonds.....	(a)85	1,250				
ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY:						
Trust Mortgage Five Per Cent. Gold Bonds of 1887.....	(a)62.50	1,250				
Trust Mortgage Six Per Cent. Gold Bonds of 1880.....	(a)125	1,250				
Missouri and Western Division First Mortgage Six Per Cent. Gold Bonds.....	(a)125	1,250				
ST. LOUIS, WICHITA AND WESTERN RAILWAY COMPANY:						
First Mortgage Six Per Cent. Gold Bonds.....	(a)120	1,250				
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY:						
Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Preferred Stock Trust Certificates.....		750		250		
MUSKOGEE CITY BRIDGE COMPANY:						
First Mortgage Five Per Cent. Gold Bonds.....	50	1,250				
ST. LOUIS, MEMPHIS AND SOUTHEASTERN RAILROAD COMPANY:						
First Mortgage Four Per Cent. Gold Bonds.....	50	1,250				
CHESTER, PERRYVILLE & STE. GENEVIEVE RAILWAY COMPANY:						
First Mortgage Five Per Cent. Gold Bonds.....	(c)12.50	1,250				
PEMISCOT RAILROAD COMPANY:						
First Mortgage Six Per Cent. Gold Bonds.....	Par and interest					
KENNETT & OSCEOLA RAILROAD COMPANY:						
First Mortgage Six Per Cent. Gold Bonds.....	Par and interest					
SOUTHERN MISSOURI AND ARKANSAS RAILROAD COMPANY:						
First Mortgage Five Per Cent. Gold Bonds.....	Par and interest					
FORT WORTH AND RIO GRANDE RAILWAY COMPANY:						
First Mortgage Four Per Cent. Gold Bonds.....		1,000				
OZARK & CHEROKEE CENTRAL RAILWAY COMPANY:						
First Mortgage Five Per Cent. Gold Bonds (see page 26).....	(a)17.50	1,250				
QUANAH, AOME AND PACIFIC RAILWAY COMPANY:						
First Mortgage Six Per Cent. Gold Bonds.....	(c)15	1,250				
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY (subject to payments required by the Plan). See also page 22:						
First Preferred Stock.....			(b) 500			\$1,000
Second Preferred Stock.....			(b) 500			900
Common Stock.....			(b) 500			820

(a) Includes interest from last matured coupon to July 1, 1916, from which date the Prior Lien Mortgage Bonds to be delivered bear interest.

(b) Subject to withdrawals by Purchase Syndicate under the Plan.

(c) Interest from last matured coupon to July 1, 1916, from which date the Prior Lien Mortgage Bonds to be delivered bear interest.

TREATMENT OF SECURITIES.

Prior Lien Mortgage Bonds, Series A, delivered under the Plan in partial exchange for
ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY REFUNDING MORTGAGE FOUR PER CENT. GOLD BONDS,

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY GENERAL LIEN 15-20 YEAR FIVE PER CENT. GOLD BONDS,

are to carry interest at the rate of four per cent. per annum from July 1, 1915.

Prior Lien Mortgage Bonds, Series A, delivered under the Plan in exchange or partial exchange for other securities are to carry interest at the rate of four per cent. per annum from July 1, 1916.

Prior Lien Mortgage Bonds, Series B, delivered under the Plan are to carry interest at the rate of five per cent. per annum from January 1, 1916.

Interest on the Six Per Cent. Cumulative Adjustment Mortgage Bonds, Series A, delivered under the Plan, will accrue from July 1, 1915, and from that date the Six Per Cent. Income Mortgage Bonds, Series A, delivered under the Plan, will rank for interest.

Holders of the following bonds (with coupons as stated) and of the following trust certificates who shall have complied with the conditions of the Plan and Agreement and shall be entitled to the benefits thereof will receive on the completion of the reorganization and surrender of their certificates of deposit in negotiable form, together with such certificates as may be required under the Federal Income Tax Laws, at the rate for each \$1,000 of principal, as follows:

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Refunding Mortgage Four Per Cent. Gold Bonds (with coupon maturing July 1, 1914, and subsequent coupons).

\$750.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1915,

\$250.00 Six Per Cent. Cumulative Adjustment Mortgage Bonds, Series A,

and in **Cash** an amount equal to the interest instalments maturing July 1, 1914, January 1, 1915, and July 1, 1915, with interest at six per cent. per annum from the respective dates of maturity to the date set by the Reorganization Managers for payment; but where such interest has been received by holders of certificates of deposit and noted on their certificates, to be paid to the holders of such coupons and claims for interest.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

General Lien 15-20 Year Five Per Cent. Gold Bonds (with coupon maturing May 1, 1914, and subsequent coupons).

\$250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1915,

\$250.00 Six Per Cent. Cumulative Adjustment Mortgage Bonds, Series A,

\$33.33 Six Per Cent. Cumulative Adjustment Mortgage Bonds, Series A,
 in adjustment of interest at Five Per Cent. on \$1,000 principal from November 1, 1914 to July 1, 1915,

\$500.00 Six Per Cent. Income Mortgage Bonds, Series A,

and in **Cash** an amount equal to the interest instalments maturing May 1, 1914, and November 1, 1914, with interest at six per cent. per annum from the respective dates of maturity to the date set by the Reorganization Managers for payment; but subject to the deduction of amounts advanced to holders of certificates of deposit in respect of the interest instalment of May 1, 1914, and noted on certificates of deposit, with interest.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Consolidated Mortgage Four Per Cent. Gold Bonds (with coupon maturing January 1, 1917, and subsequent coupons).

\$1,000.00 Prior Lien Mortgage Bonds, Series A (Four Per cent.), carrying interest from July 1, 1916,
\$100.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Southwestern Division First Mortgage Five Per Cent. Gold Bonds (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$62.50 Cash.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Central Division First Mortgage Four Per Cent. Gold Bonds (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$35.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Northwestern Division First Mortgage Four Per Cent. Gold Bonds (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$35.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY

Trust Mortgage Five Per Cent. Gold Bonds of 1887 (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$62.50 Cash.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY

Trust Mortgage Six Per Cent. Gold Bonds of 1880 (with coupon maturing August 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$125.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY

Missouri and Western Division First Mortgage Six Per Cent. Gold Bonds (with coupon maturing August 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$125.00 Cash.

ST. LOUIS, WICHITA AND WESTERN RAILWAY COMPANY

First Mortgage Six Per Cent. Gold Bonds (with coupon maturing September 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,
\$120.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Preferred Stock Trust Certificates.

\$750.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,

\$250.00 Six Per Cent. Cumulative Adjustment Mortgage Bonds, Series A, carrying interest from July 1, 1916.

MUSKOGEE CITY BRIDGE COMPANY

First Mortgage Five Per Cent. Gold Bonds (with coupon maturing January 1, 1917, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,

\$50.00 Cash.

ST. LOUIS, MEMPHIS AND SOUTHEASTERN RAILROAD COMPANY

First Mortgage Four Per Cent. Gold Bonds (with coupon maturing January 1, 1917, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.) carrying interest from July 1, 1916,

\$50.00 Cash.

CHESTER, PERRYVILLE & STE. GENEVIEVE RAILWAY COMPANY

First Mortgage Five Per Cent. Gold Bonds (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,

\$12.50 Cash.

PEMISCOT RAILROAD COMPANY

First Mortgage Six Per Cent. Gold Bonds.

Par and accrued interest to date of payment, in cash.

KENNETT & OSCEOLA RAILROAD COMPANY

First Mortgage Six Per Cent. Gold Bonds (with coupon maturing December 1, 1916, and subsequent coupons).

Par and accrued interest to date of payment, in cash.

SOUTHERN MISSOURI AND ARKANSAS RAILROAD COMPANY

First Mortgage Five Per Cent. Gold Bonds (with coupon maturing January 1, 1917, and subsequent coupons).

Par and accrued interest to date of payment, in cash.

FORT WORTH AND RIO GRANDE RAILWAY COMPANY

First Mortgage Four Per Cent. Gold Bonds (with coupon maturing January 1, 1917, and subsequent coupons).

\$1,000.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916.

QUANAH, ACME AND PACIFIC RAILWAY COMPANY

First Mortgage Six Per Cent. Gold Bonds (with coupon maturing October 1, 1916, and subsequent coupons).

\$1,250.00 Prior Lien Mortgage Bonds, Series A (Four Per Cent.), carrying interest from July 1, 1916,

\$15.00 Cash.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY

First Preferred Stock.

Second Preferred Stock.

Common Stock.

No holder of stock will be entitled to deposit his stock under the Plan or to receive a certificate of deposit therefor without making at the time of deposit **the required payment of \$5 per share**. Any holder of stock may, at the time of deposit thereof under the Plan, elect to prepay the entire purchase price of the securities which such holder shall be entitled to purchase under the Plan and such election will be appropriately noted on his certificate of deposit.

Holders of certificates of deposit for stock will be entitled to receive upon the completion of the reorganization and on the surrender of their certificates of deposit, either **Purchase Warrants** or **Fully Paid Subscription Certificates**, both of which will be issued by Guaranty Trust Company of New York and will be delivered by the Reorganization Managers on behalf of the Purchase Syndicate (see page 27). Each holder of a certificate of deposit for stock bearing notation of election to prepay the entire purchase price of the New Securities which such holder shall be entitled to purchase, will, upon making payment of the entire purchase price at the time and otherwise as hereafter stated, together with the interest accrued on the Prior Lien Mortgage Bonds, be entitled to receive a **Fully Paid Subscription Certificate**; each holder of a certificate of deposit for stock not bearing notation of such election, will be entitled to receive a **Purchase Warrant**. If the Reorganization Managers shall, in carrying out the Plan, have acquired, for the purposes of the reorganization, all the outstanding stock and First Mortgage Six Per Cent. Gold Bonds of New Mexico and Arizona Land Company, the Reorganization Managers will, on the completion of the reorganization and on surrender of their certificates of deposit, deliver to the respective holders of such certificates of deposit, stock of the recapitalized Land Company (see page 7) to a par amount which shall be such proportion of \$500,000 as the par amount of deposited stock represented by such certificates of deposit shall bear to the aggregate par amount of stock deposited under the Plan. For fractional interests scrip may be delivered. So far as the reorganization or the issue of securities or stock under the Plan may be subject to the approval or authorization of any public utilities or public service commission in any state in which any part of the property is situated or in which the Reorganization Managers may in their discretion determine to organize the New Company, or of any other commission having authority in the premises, the amount of capitalization to be issued in the reorganization may be reduced by such amount as the Reorganization Managers may in their discretion determine, in order to comply with the order of, or to obtain the authorization or approval of, any such commission. In the event of such reduction of capitalization, the whole of such reduction shall be made in Common Stock and in the amount of stock trust certificates to be sold to the Purchase Syndicate, and by it in turn offered to depositing stockholders of the three classes: the amounts of stock trust certificates deliverable, respectively, under the three classes of Purchase Warrants and Fully Paid Subscription Certificates being reduced by an equal percentage.

The amounts of Prior Lien Mortgage Bonds and Common Stock (trust certificates) to be specified in such **Purchase Warrants** shall be at the following rates **per share of stock** represented by the surrendered certificates of deposit, subject as to the amount of Common Stock (trust certificates) to reduction as stated:

First Preferred Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.), or cash at 85% flat for bonds withdrawn by the Purchase Syndicate and therefore not delivered.

\$100 Common Stock (trust certificates).

Second Preferred Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.), or cash at 85% flat for bonds withdrawn by the Purchase Syndicate and therefore not delivered.

\$90 Common Stock (trust certificates).

Common Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.), or cash at 85% flat for bonds withdrawn by the Purchase Syndicate and therefore not delivered.

\$82 Common Stock (trust certificates).

The **Purchase Warrants** will certify that on payment on the date therein specified, which is to be the date of maturity of the loan to be made by the Loan Syndicate (see page 28), of the sums specified in such Purchase Warrant, which shall be at the rate of **\$45** for each share of stock represented by the surrendered certificate of deposit, said Trust Company on surrender of such Purchase Warrant and on payment of the accrued interest on the Prior Lien Mortgage Bonds delivered will deliver to the bearer of such Purchase Warrant, the Prior Lien Mortgage Bonds and Common Stock (trust certificates) therein specified or will, in lieu of the delivery of any or all of such Prior Lien Mortgage Bonds, pay in cash at **85%** flat for bonds not delivered. Prior Lien Mortgage Bonds deliverable under the Purchase Warrants will be delivered carrying all unmatured coupons. Holders of **Purchase Warrants** will not be entitled to the interest on the Prior Lien Mortgage Bonds maturing on or prior to the time of their delivery.

Failure to pay the purchase price when payable will forfeit all rights in respect of bonds and stock (trust certificates) specified in the Purchase Warrant and all rights under the Purchase Warrant and under the Plan.

The amounts of Prior Lien Mortgage Bonds and Common Stock (trust certificates) to be specified in the **Fully Paid Subscription Certificates** shall be at the following rates per share of stock represented by the surrendered certificates of deposit bearing notation of election to prepay the entire purchase price, subject as to the amount of Common Stock (trust certificates) to reduction as stated:

First Preferred Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.)
\$100 Common Stock (trust certificates).

Second Preferred Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.)
\$90 Common Stock (trust certificates).

Common Stock.

\$50 Prior Lien Mortgage Bonds, Series B (Five Per Cent.)
\$82 Common Stock (trust certificates).

The **Fully Paid Subscription Certificates** will certify that the entire purchase price therein specified has been paid and that on and after the date therein specified, which is to be the date of maturity of the loan to be made by the Loan Syndicate (see page 28), the bearer will be entitled on surrender of such Fully Paid Subscription Certificates, to the delivery of Prior Lien Mortgage Bonds, Series B (Five Per Cent.) and Common Stock (trust certificates), to the amounts specified in such Fully Paid Subscription Certificates and meantime on presentation thereof for proper notation thereon, to payment of the accruing interest collected on the Prior Lien Mortgage Bonds called for by such Fully Paid Subscription Certificates or to the delivery of the coupons therefor. With the consent of the Reorganization Managers, deliveries may be earlier made to holders of Fully Paid Subscription Certificates.

Holders of certificates of deposit bearing notation of election to prepay the entire purchase price must make such payment within such period as may be fixed by the Reorganization Managers for the purpose. Failure to make such payments within the period so fixed by the Reorganization Managers will forfeit all rights to purchase bonds and stock (trust certificates) and all rights of purchase under the Plan as well as the deposited stock represented by such certificates of deposit and will terminate all rights of the holders of such certificates of deposit, and such certificates of deposit shall become void.

ADJUSTMENT OF OTHER DEBT.

In connection with the Plan, agreements substantially to the following effect have been made or, it is contemplated, will be made with holders of the Secured Debt hereinafter mentioned, through their respective Committees, for the adjustment and discharge of the indebtedness and liabilities of St. Louis and San Francisco Railroad Company on or in respect of the class of security specified (including unpaid coupons and interest). The Reorganization Managers may in their discretion at such time or times as they may determine, call for deposit of any of the securities constituting the Secured Debt or provide otherwise for the method of their participation in the Plan. The terms hereinafter stated are on the basis of the adjustment of the entire secured debt of the specified class and are exclusive of the compensation and expenses of any such Committee. The amounts payable and deliverable by the Reorganization Managers in respect of securities of any class approving and accepting terms of settlement through a Committee, will be paid and delivered in block to such Committee, the Reorganization Managers assuming no responsibility in respect of the disposition or distribution thereof by such Committee. The arrangement in every case will be conditional on acceptance and approval by holders of the particular class of security to an amount satisfactory to the Reorganization Managers and to the Plan and Agreement becoming effective and being consummated, and all payments and deliveries by the Reorganization Managers are to be made on the consummation of the Plan.

A. \$28,582,000 St. Louis and San Francisco Railroad Company, New Orleans, Texas and Mexico Division First Mortgage 4½% and 5% Gold Bonds (with coupon maturing September 1, 1913, and subsequent coupons).

The Reorganization Managers

1. to pay and to deliver

- (a) \$500,000 in cash,
- (b) \$500,000 Six Per Cent. Income Mortgage Bonds, Series A,
- (c) \$636,800 Six Per Cent. Preferred Stock (trust certificates);

2. if and to the extent acquired by the Reorganization Managers under the Plan, to cancel (a) the \$480,000 Equipment Notes, Series A, of the New Orleans, Texas and Mexico Railroad Company held under the General Lien Mortgage; and (b) the notes of the New Orleans, Texas and Mexico Railroad Company and its indebtedness to St. Louis and San Francisco Railroad Company now pledged to secure the Two Year Six Per Cent. Secured Gold Notes of said St. Louis and San Francisco Railroad Company, and any other indebtedness of the New Orleans, Texas and Mexico Railroad Company to St. Louis and San Francisco Railroad Company and any indebtedness of the St. Louis, Brownsville and Mexico Railway Company to St. Louis and San Francisco Railroad Company now constituting treasury assets of said Railroad Company; and, if and to the extent acquired by the Reorganization Managers under the Plan, to surrender to the reorganized New Orleans, Texas and Mexico Company for cancellation, \$454,000 New Orleans, Texas and Mexico Division First Mortgage 5% Gold Bonds (Certificates of Deposit) now constituting treasury assets (but in part pledged) of the St. Louis and San Francisco Railroad Company;

3. if and to the extent acquired by the Reorganization Managers under the Plan, to transfer to the reorganized New Orleans, Texas and Mexico Company (a) the securities and stock of San Benito and Rio Grande Valley Railway Company now pledged to secure the Two Year Six Per Cent. Secured Gold Notes of St. Louis and San Francisco Railroad Company and any other securities and stock of said San Benito and Rio Grande Valley Railway Company now constituting treasury assets of St. Louis and San Francisco Railroad Company and (b) the stock of the New Orleans, Texas and Mexico Railroad Company now pledged to secure said Notes and any other stock of said Railroad Company now constituting treasury assets of St. Louis and San Francisco Railroad Company.

The New Company to undertake that the Frisco Refrigerator Company shall continue to and including September 15, 1923, the existing lease to said Refrigerator Company of various refrigerator cars, part of the equipment embraced in the Equipment Trust Agreement of the New Orleans, Texas and Mexico Railroad Company, dated September 15, 1911, and that the instalments of rent payable under said lease due or to become due shall be promptly paid when due and that all the covenants thereof on the part of said Refrigerator Company shall be duly performed; an undertaking to be given by the reorganized New Orleans, Texas and Mexico Company that the equipment embraced in such lease, on the termination of such lease, will be transferred to the New Company or to said Refrigerator Company.

The liability of St. Louis and San Francisco Railroad Company to be terminated on the outstanding loan of \$200,000 secured by certain terminal properties in New Orleans which have been judicially declared to have been purchased with funds of the New Orleans, Texas and Mexico Railroad Company and, subject to the payment of such loan, to be embraced in the New Orleans, Texas and Mexico Division First Mortgage.

B. \$2,250,000 St. Louis and San Francisco Railroad Company Two-Year Five Per Cent. Secured Gold Notes (with coupon maturing June 1, 1913).

secured by the pledge of

- \$2,500,000 St. Louis and San Francisco Railroad Company, Chicago and Eastern Illinois Railroad Company Common Stock Trust Certificates,
- \$1,490,000 Kansas City, Fort Scott and Memphis Railway Company Guaranteed Four Per Cent. Preferred Stock Trust Certificates,
- \$100,000 St. Louis and San Francisco Railroad Company General Lien 15-20 Year Five Per Cent. Gold Bonds.

1. The trust agreement securing the Notes to be foreclosed and the pledged securities, all of which are dealt with under the Plan, to be made subject to the Plan if acquired by the Reorganization Managers or Noteholders' Committee.

2. The Reorganization Managers to deliver

- \$834,795.00 Six Per Cent. Preferred Stock (trust certificates),
- \$556,582.50 Common Stock (trust certificates).

C. \$2,600,000 St. Louis and San Francisco Railroad Company Two Year Six Per Cent. Secured Gold Notes (with coupon maturing September 1, 1913, and subsequent coupons).

1. The trust agreement securing the Notes to be foreclosed and the securities acquired by the Noteholders' Committee; the pledged securities other than the pledged Preferred Stock of the Kirby Lumber Company to be transferred to the Reorganization Managers.

2. The Reorganization Managers to pay and to deliver

- \$270,000 in cash,
- \$1,350,000 Six Per Cent. Preferred Stock (trust certificates).

**D. St. Louis and San Francisco Railroad Company Trust Certificates for Preferred Stock Chicago and Eastern Illinois Railroad Company, \$12,153,750
Common Stock Chicago and Eastern Illinois Railroad Company, \$16,944,500**

1. The outstanding trust certificates for Chicago and Eastern Illinois Railroad Company stock to be surrendered pursuant to the terms thereof and of the trust agreements securing them in exchange for the stock of the Chicago and Eastern Illinois Railroad Company represented by the trust certificates surrendered.

2. The Reorganization Managers to deliver
 - in respect of Trust Certificates for Chicago and Eastern Illinois Railroad Company Preferred Stock so surrendered at the rate for each share of Preferred Stock, represented by the surrendered Trust Certificates,
 - \$18.00 Six Per Cent. Preferred Stock (trust certificates),
 - \$ 2.50 Common Stock (trust certificates);
 - in respect of Trust Certificates for Chicago and Eastern Illinois Railroad Company Common Stock so surrendered at the rate for each share of Common Stock represented by the surrendered Trust Certificates,
 - \$30.00 Six Per Cent. Preferred Stock (trust certificates),
 - \$ 4.25 Common Stock (trust certificates).
-

E. \$2,880,000 Ozark & Cherokee Central Railway Company First Mortgage Five Per Cent. Gold Bonds.

1. These bonds are to be transferred to the Reorganization Managers.
 2. The Reorganization Managers to pay in money one-half of one per cent. of the amount of said First Mortgage Bonds and at their election either (a) to deliver Prior Lien Mortgage Bonds, Series A, Four Per Cent. to the amount of 125 per cent. of said First Mortgage Bonds or, (b) to deliver Prior Lien Mortgage Bonds, Series A, Four Per Cent. to the amount of 100 per cent. of First Mortgage Bonds and to pay in money 20 per cent. of the amount of said First Mortgage Bonds, and in either case interest to be adjusted.
-

F. \$14,000,000 New Orleans Terminal Company Guaranteed First Mortgage Four Per Cent. Gold Bonds.

Guaranteed both as to principal and interest, jointly and severally by Southern Railway Company and St. Louis and San Francisco Railroad Company.

1. The Southern Railway Company which has taken over the stock of the Terminal Company formerly held by St. Louis and San Francisco Railroad Company to release that Company, and to cause the Terminal Company to release it, from all indebtedness or liability now existing or which may hereafter arise on the various agreements with respect to the properties and stock of the Terminal Company or on said guaranty.
 2. The Reorganization Managers to pay and to deliver
 - \$116,000 in cash,
 - \$650,000 Six Per Cent. Preferred Stock (trust certificates).
-

G. Unsecured Debt.

It is intended to make adjustments with holders of unsecured debt when the establishment of claims under the general creditors bill shall in the judgment of the Reorganization Managers have proceeded to a point making it practicable to do so.

The Reorganization Managers may make adjustments of indebtedness. They may, in their discretion, use any of the securities issuable in the Reorganization and not required for other specified purposes or procure the issue of additional amounts of securities of any class or character under the Plan. All statements of capitalization in the Plan omit consideration of any additional securities which may be issued or used for this purpose.

ESTIMATED CASH REQUIREMENTS.

Equipment Trust Obligations maturing after July 1, 1916, and prior to July 2, 1917.....	\$1,952,752
\$54,000 Pemiscot Railroad Company, First Mortgage Six Per Cent. Gold Bonds..	54,000
\$65,000 Kennett & Osceola Railroad Company First Mortgage Six Per Cent. Gold Bonds	65,000
\$4,500 Southern Missouri and Arkansas Railroad Company First Mortgage Five Per Cent. Gold Bonds.....	4,500
July 1, 1914, January 1, 1915, and July 1, 1915, interest on the Refunding Mortgage Bonds.....	4,113,420
May 1, 1914, and November 1, 1914, interest on the General Lien Bonds.....	3,469,200
Interest at 6% per annum on foregoing interest instalments from date of maturity to date of actual payment, calculated as of July 1, 1916.....	769,167
Cash payments in connection with exchange of underlying bonds.....	310,650
Payments in connection with adjustment of Secured Debt, Judgments and Preferred Claims (estimated).....	2,000,000
January 1, 1916, and July 1, 1916, interest on \$68,763,750 Prior Lien Mortgage Bonds, Series A, deliverable in partial exchange for Refunding Mortgage Bonds and for General Lien Bonds pursuant to the Plan.....	2,750,550
Commissions to Purchase Syndicate	1,000,000
Commissions to Loan Syndicate	675,000
Organization, franchise and other taxes, including stamps	1,400,000
Expenses of Committees and other representatives of existing securities, including their compensation.....	1,000,000
Other reorganization expenses, including the compensation of the Reorganization Managers, legal expenses and miscellaneous expenses	1,258,000
Improvements and betterments additions, acquisitions, including Equipment, and working capital for New Company.....	4,177,761
	<hr/>
	\$25,000,000

The Receivers estimate that on July 1, 1916, the cash in hand, after providing funds for payment of Equipment Trust Obligations maturing up to July 2, 1916, inclusive, of interest on securities paid regularly during the receivership, and of the cost of current improvements, will be not less than the sum of \$3,193,000, the greater part of which should be available for the corporate purposes of the New Company.

PROVISION FOR CASH REQUIREMENTS.

For the purpose of meeting the estimated cash requirements of the Plan, Messrs. Speyer & Co., J. & W. Seligman & Co., Guaranty Trust Company of New York and Lee, Higginson & Co. have undertaken to form a **Purchase Syndicate**, of which they will be Syndicate Managers. The Purchase Syndicate, among other things, will

(a) purchase

\$25,000,000 Prior Lien Mortgage Bonds, Series B (Five Per Cent.),

\$43,180,000 Common Stock (trust certificates),

for the sum of \$25,000,000 (and accrued interest on the bonds), against which will be credited the amounts paid by stockholders as a condition of participating in the Plan, and will offer the Prior Lien Mortgage Bonds and Common Stock (trust certificates) so

purchased, to the extent and on the terms stated in the Plan, to depositing holders of stock who shall have complied with the conditions of the Plan ;

(b) purchase at the request of the Reorganization Managers additional Prior Lien Mortgage Bonds, to an amount not exceeding in the aggregate \$5,000,000.

No provision has been made for underwriting the cash required for payment to holders of non-assenting Refunding Mortgage Bonds and General Lien Bonds of their distributive share in the proceeds of the foreclosure sale, as, in the judgment of the Reorganization Managers, the failure to deposit undeposited bonds has been in the main due to existing conditions in Europe, where such non-deposited bonds are mainly held, but it is intended on the completion of the Reorganization, to set aside under such restrictions as the Reorganization Managers shall deem proper, the new securities and cash to which under the Plan, holders of non-deposited Refunding Mortgage Bonds and General Lien Bonds would be entitled if deposited under the Plan, if deemed practicable until the expiration of one year after the conclusion of peace by treaty, to be deliverable on the terms stated in the Plan, at any time during such period, to holders of such bonds who may desire to avail themselves of the benefits of the Plan and shall give satisfactory reason for their previous inability to deposit the same under the Plan ; the securities and cash deliverable in respect of any non-deposited bond to be available for providing, if necessary, the moneys required to pay the cash distributive share of such bond. Such Refunding Mortgage Bonds deposited under the Agreement of June 20, 1914, and such General Lien Bonds deposited under the Agreement of May 28, 1913, as may be withdrawn from said respective agreements, will not be entitled to avail themselves of such provision.

Guaranty Trust Company of New York has undertaken to form a **Loan Syndicate**, of which it will be Syndicate Manager, which among other things will, against the pledge by the **Purchase Syndicate** of such of the Prior Lien Mortgage Bonds and Common Stock (trust certificates), specified in subdivision (a) above, as shall not be purchased and paid for in full by depositing stockholders, and reserved against Fully Paid Subscription Certificates, agree to advance to the Purchase Syndicate, up to ninety per cent. of the face amount of said bonds so pledged. The **Loan Syndicate** will agree to make, for account of the **Purchase Syndicate**, deliveries in accordance with the terms of the Purchase Warrants, to holders thereof complying with the terms of such Purchase Warrants.

The Reorganization Managers for their services shall be entitled to compensation in such usual amount as shall be determined to be fair by the persons, or a majority of them, who at the time of such determination are respectively Presidents of The New York Trust Company, Columbia Trust Company and The Equitable Trust Company of New York.

The compensations and commissions to be paid to the Reorganization Managers and the respective Syndicates are to be paid as part of the expenses of the reorganization. The Reorganization Managers may become participants in either syndicate.

COMPARATIVE TABLES

Showing Capitalization, Fixed and Contingent Interest Charges, Earnings,
Average Maintenance Charges and Mileage.

The statements and figures in the accompanying
Tables, as well as elsewhere throughout the
Plan, have been furnished by the Receivers
or by officers of the Railroad Company.

CAPITALIZATION AND FIXED CHARGES.

A. Capitalization and Interest Charges of Present Company, as of June 30, 1915.

The following table shows the total amount of Receivers' Certificates, Bonds, Notes, Trust Certificates, Equipment Trust Obligations, and Guaranteed Securities and Stock in hands of public (with the fixed charges thereon) dealt with under the Plan excluding Unsecured Debt, floating claims, etc., and includes the First Mortgage Bonds of the Quanah, Acme and Pacific Railway Company, although not operated as part of the System, but excludes the stock of that Company.

		ANNUAL INTEREST CHARGE OR GUARANTY.
\$3,000,000*	Receivers' Certificates	\$180,000
4,026,630†	Equipment Trust Certificates (maturing prior to July 2, 1917, for which cash provided so far as not paid by Receivers) about	231,300
68,557,000	Refunding Mortgage 4% Gold Bonds	2,742,230
69,284,000	General Lien 15-20 Year 5% Gold Bonds in hands of public	3,464,200
1,558,000	Consolidated Mortgage 4% Gold Bonds	62,320
829,000	Southwestern Division 1st Mortgage 5% Gold Bonds	41,450
145,000	Central Division 1st Mortgage 4% Gold Bonds	5,800
47,000	Northwestern Division 1st Mortgage 4% Gold Bonds	1,880
2,250,000	Two-Year Five Per Cent. Secured Gold Notes	112,500
2,600,000	Two-Year Six Per Cent. Secured Gold Notes	156,000
439,000	St. Louis and San Francisco Railway Company Trust Mortgage 5% Gold Bonds of 1887	21,950
183,000	St. Louis and San Francisco Railway Company Trust Mortgage 6% Gold Bonds of 1880	10,920
79,000††	Missouri and Western Division 1st Mortgage 6% Gold Bonds	4,740
304,000	St. Louis, Wichita and Western Railway Company 1st Mortgage 6% Gold Bonds	18,240
18,510,000	Kansas City, Fort Scott and Memphis Railway Company 4% Preferred Stock Trust Certificates in hands of public	540,400
100,000	Muskogee City Bridge Company 1st Mortgage 5% Gold Bonds	5,000
225,000	St. Louis, Memphis and Southeastern Railroad Company 1st Mortgage 4% Gold Bonds in hands of public	9,000
140,000	Chester, Perryville & Ste. Genevieve Railway Company 1st Mortgage 5% Gold Bonds	7,000
54,000	Pemiscot Railroad Company 1st Mortgage 6% Gold Bonds	3,240
65,000	Kennett & Osceola Railroad Company 1st Mortgage 6% Gold Bonds	3,900
4,500	Southern Missouri and Arkansas Railroad Company 1st Mortgage 5% Gold Bonds	225
2,923,000	Fort Worth and Rio Grande Railway Company 1st Mortgage 4% Gold Bonds	116,920
2,880,000	Ozark & Cherokee Central Railway Company 1st Mortgage 5% Gold Bonds	144,000
1,758,000	Quanah, Acme and Pacific Railway Company 1st Mortgage 6% Gold Bonds	105,480
23,128,000	New Orleans, Texas and Mexico Division 1st Mortgage 5% Gold Bonds	1,156,400
5,000,000	New Orleans, Texas and Mexico Division 1st Mortgage 4 1/2% Gold Bonds (French Series)	225,000
7,000,000	New Orleans, Terminal Company 1st Mortgage 4% Gold Bonds (being half of issue)	280,000
12,153,750	Chicago and Eastern Illinois Preferred Stock Trust Certificates	486,150
14,444,500	Chicago and Eastern Illinois Common Stock Trust Certificates in hands of public	577,780
\$237,286,386		\$10,714,075
\$5,000,000	St. Louis and San Francisco Railroad Company First Preferred Stock (includes \$6,535.10 stock in Treasury).	
16,000,000	St. Louis and San Francisco Railroad Company Second Preferred Stock (includes \$68 stock in Treasury).	
29,000,000	St. Louis and San Francisco Railroad Company Common Stock (includes \$7,649.60 stock in Treasury).	
\$287,286,386		

For comparison with the table on next page, there should be added to the above:

		UNDISTURBED SECURITIES AND RENTALS.
\$9,434,000	St. Louis and San Francisco Railway Company General Mortgage 5% and 6% Gold Bonds maturing 1931	\$511,010.00
5,306,000	Equipment Trust Certificates maturing after July 1, 1917 (about)	265,000.00
	Sundry Rentals and Sinking Funds (year 1915)	579,119.86
\$302,076,386	Total.	\$2,817,120.32
		\$4,172,249.68
		Total fixed charges \$14,886,324.68

* Paid January 2, 1916.

† \$2,673,884 principal amount paid or to be paid on or before July 1, 1916.

†† \$5,000 of bonds have been redeemed by sinking fund.

B. Capitalization and Interest Charges of New Company.

Upon retirement of the foregoing \$287,286,386 of securities, dealt with under the Plan, there will have been issued in respect thereof, or in connection with the extinguishment of liability thereon and for Cash Requirements of the Plan which includes provision for working capital, improvements, etc., the following new securities:

FIXED CHARGE OBLIGATIONS.

		Annual Fixed Interest Charge.
\$93,398,500	Prior Lien Mortgage Bonds, Series A, 4%	\$3,735,940.00
25,000,000	Prior Lien Mortgage Bonds, Series B, 5%, sold to provide cash requirements of the Plan	1,250,000.00
	leaving undisturbed, with bonds reserved under the Prior Lien Mortgage to take up same at or before maturity.	
9,484,000	St. Louis & San Francisco Railway Company General Mortgage 5% and 6% Gold Bonds maturing 1931	511,010.00
5,306,000	Equipment Trust Certificates maturing after July 1, 1917	265,000.00
	Sundry Rentals and Sinking Funds (year 1915)	579,119.36
	The Fixed Charges in connection with the Kansas City, Fort Scott and Memphis Railway Company Leasehold and Auxiliary Companies' Bonds, Rentals, Sinking Fund and Miscellaneous are as follows:	
	\$1,000,000 Birmingham Belt Railroad Company First Mortgage 4% Gold Bonds	40,000.00
	25,835,000 Kansas City, Ft. Scott and Memphis Railway Company Refunding Mortgage 4% Gold Bonds	1,033,400.00
	13,736,000 Kansas City, Fort Scott and Memphis Railroad Company Consolidated Mortgage 6% Bonds	824,160.00
	390,000 Kansas and Missouri Railroad Company First Mortgage 5% Bonds	19,500.00
	1,606,000 Current River Railroad Company First Mortgage 5% Bonds	80,300.00
	3,000,000 Kansas City and Memphis Railway and Bridge Company First Mortgage 5% Gold Bonds	150,000.00
	3,323,390 Kansas City, Memphis and Birmingham Railroad Company General Mortgage 4% Bonds	132,935.60
	5,923,280 Kansas City, Memphis and Birmingham Railroad Company Income 5% Bonds	296,164.00
	Rentals and Sinking Fund under Kansas City, Ft. Scott and Memphis Lease and miscellaneous (year 1915)	240,660.72
		\$6,341,069.36
	Total Fixed Interest Charges of New Company	\$9,158,189.68

and

CONTINGENT CHARGE OBLIGATIONS.

40,547,818	6% Cumulative Adjustment Mortgage Bonds	\$2,432,869.08
35,192,000	6% Non-Cumulative Income Mortgage Bonds	2,111,520.00
	Total Contingent Interest Charges of New Company	\$4,544,389.08
	Total Interest Charges, Fixed and Contingent, of New Company	\$13,702,578.76

and the following amount of Stock:

7,000,000	6% Preferred Stock.
48,480,000	Common Stock.
\$264,408,318	Total.

The lines of Chicago and Eastern Illinois Railroad Company and of New Orleans, Texas and Mexico Railroad Company and of New Orleans Terminal Company are not to be taken over by the New Company.

CAPITALIZATION OF OLD COMPANY

exclusive of K. C., Ft. S. & M. System Bonds undisturbed (see page 30)

\$302,076,386.00

CAPITALIZATION OF NEW COMPANY

exclusive of K. C., Ft. S. & M. System Bonds undisturbed (see above)

\$264,408,318.00

FIXED INTEREST CHARGES OF OLD COMPANY

including K. C., Ft. S. & M. System Bonds undisturbed (see page 30)

\$14,886,324.68

FIXED INTEREST CHARGES OF NEW COMPANY

including K. C., Ft. S. & M. System Bonds undisturbed (see above)

\$9,158,189.68

CONTINGENT INTEREST CHARGES OF NEW COMPANY (see above)

\$4,544,389.08

TOTAL INTEREST CHARGES—FIXED AND CONTINGENT—OF NEW COMPANY (see above)

\$13,702,578.76

EARNINGS.

The officials of St. Louis and San Francisco Railroad Company have certified that the Income Account of the Company for Four Years Ended June 30, 1915, after eliminating all items in connection with Chicago and Eastern Illinois Railroad Stocks, the New Orleans, Texas and Mexico lines and New Orleans Terminal Company (which it is not intended to vest in the New Company) were as follows:

	Year Ending June 30, 1912.	Year Ending June 30, 1913.	Year Ending June 30, 1914.	Year Ending June 30, 1915.	Average of 4 years.
Operating revenue	\$41,764,802.84	\$45,690,972.46	\$44,556,234.12	\$42,677,323.13	\$43,672,333.14
Revenue from operations other than transportation	335,560.89	359,317.57	367,334.57	297,249.58	339,865.65
	\$42,100,363.73	\$46,050,290.03	\$44,923,568.69	\$42,974,572.71	\$44,012,198.79
Operating expenses, including taxes	30,667,171.89	32,768,534.41	35,419,814.82	31,875,648.66	32,682,792.45
Operating income	\$11,433,191.84	\$13,281,755.62	\$9,503,753.87	\$11,098,924.05	\$11,329,406.34
Other income less hire of equip- ment	685,470.76	889,540.48	655,191.42	571,842.70	700,511.34
Total income	\$12,118,662.60	\$14,171,296.10	\$10,158,945.29	\$11,670,766.75	\$12,029,917.68
Add difference between rental paid to Frisco Construction Com- pany (all of whose stock is owned by St. Louis and San Fran- cisco Railroad Company) and the interest on Construction Company Equipment Certifi- cates outstanding at the time and which are to be retired or provided for in the plan	81,308.84	48,733.30	51,082.79	* 29,034.12	38,010.20
	\$12,199,971.44	\$14,220,029.40	\$10,210,028.08	\$11,641,682.63	\$12,067,927.88
Add for estimated net earnings of Quanah, Acme and Pacific Rail- way					75,000.00
* Deduct					\$12,142,927.88

The Receivers advise that they charged out during the year ended June 30, 1915, for equipment *retired*, including depreciation and obsolescence, a total of \$1,977,700.52, of which \$1,426,827.30 was charged to operating expenses and \$550,873.22 to Profit and Loss.

MAINTENANCE EXPENDITURES.

The Receivers advise that large expenditures have been made during the Receivership on account of Maintenance of Way and Maintenance of Equipment in order to improve the property generally, and have furnished the following table showing amount (stated in thousands) expended and charged to operating expenses during the last four fiscal years:

	Maintenance of Way.	Maintenance of Equipment.	Total.
Year ending June 30, 1912	\$5,118,000	\$5,521,000	\$10,639,000
Year ending June 30, 1913	5,755,000	6,091,000	11,846,000
Year ending June 30, 1914	7,762,000	7,492,000	15,254,000
Year ending June 30, 1915	6,088,000	7,162,000	13,250,000

Amount charged to Operating Expenses for Maintenance of Way and Equipment during the period of Receivership, as compared with previous years:

Yearly average for two years ending June 30, 1913 (<i>prior to Receivership</i>)	\$11,242,000
Yearly average for two years ending June 30, 1915 (<i>during Receivership</i>)	14,252,000

STATEMENT OF INCOME ACCOUNT.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

FOR SIX MONTHS ENDED DEC. 31, 1915, COMPARED WITH SIX MONTHS ENDED DEC. 31, 1914,

as certified by the Receivers of St. Louis and San Francisco Railroad Company.

	Six months ending Dec. 31, 1915.	Six months ending Dec. 31, 1914.
Operating Revenue	\$23,878,618.73	\$22,334,245.34
Revenue from Operations other than Transportation.....	157,149.78	159,467.20
Total Operating Revenue.....	\$24,035,768.51	\$22,493,712.54
Operating Expenses, including Taxes and Uncollectible Revenue	16,939,052.29	16,295,982.65
Operating Income.....	\$7,096,716.22	\$6,197,729.89
Other Income less hire of Equipment.....	233,841.38	205,857.30
	\$7,330,557.60	\$6,403,587.19
Add—Difference between rental accrued to Frisco Construction Co. (all of whose stock is owned by St. L. & S. F. R. R. Co.) and the interest accrued on Construction Co. Equipment Certificates outstanding at the time and which are to be retired or provided for in the plan.....	18,875.92	36,084.37
	\$7,349,433.52	\$6,439,671.56
Add—For estimated net earnings of Quanah, Acme & Pacific Ry.	37,500.00	37,500.00
Totals.....	\$7,386,933.52	\$6,477,171.56
Miles operated	5,254.79	5,252.50

MILEAGE.

Upon retirement of the securities called for deposit under the Plan of Reorganization, the Prior Lien Mortgage Bonds, the Adjustment Mortgage Bonds and the Income Mortgage Bonds will be secured by mortgage in the relative priority stated, on the following lines of railroad including equipment (either directly or through pledge of securities where impracticable to obtain a direct lien), viz:

	Miles First Main Track Owned.	Miles Second and Side Track.
St. Louis, Mo., to Oklahoma City, Okla.....	543.09	279.17
Sapulpa, Okla., to Texas State Line.....	192.65	59.30
Monett, Mo., to Red River.....	286.13	65.32
Pierce City, Mo., to Ellsworth, Kas.....	323.80	68.80
Springfield, Mo., to Kansas City, Mo.....	185.69	47.95
Beaumont, Kas., to Blackwell, Okla.....	79.73	9.78
Girard, Kas., to Galena, Kas.....	46.93	34.15
Oronogo, Mo., to Joplin, Mo.....	9.32	6.60
Springfield, Mo., to Chadwick, Mo.....	34.86	6.78
Cuba Junction, Mo., to Salem, Mo., and Branches.....	59.54	12.00
Rogers, Ark., to Grove, Okla.....	47.16	3.59
Fayetteville, Ark., to Pettigrew, Ark.....	41.32	4.65
Jenson, Ark., to Mansfield, Ark.....	18.34	19.44
Pittsburg, Kas., to Weir City, Kas., and Mines.....	10.48	8.14
Springfield Connecting Ry.....	2.93	1.61
Granby, Mo., to Granby Mines.....	1.50	1.09
Blackwell, Okla., to South Bank Red River.....	238.68	41.14
Oklahoma City, Okla., to South Bank Red River.....	174.85	27.27
Hope, Ark., to Ardmore, Okla.....	223.28	41.91
Scullin, Okla., to Sulphur Springs, Okla.....	8.72	1.20
Mead Junction, Okla., to Platter, Okla. (now Kiersey, Okla., to Texas Junction, Okla.).....	9.24	1.09
Fayetteville, Ark., to Okmulgee, Okla.....	143.90	22.08
A. V. & W. Junction to Avar, Okla.....	175.25	31.06
Southeast Junction, Mo., to Luxora, Ark.....	241.70	78.45
Nash, Mo., to Hoxie, Ark.....	121.00	17.12
Mingo, Mo., to Hunter, Mo.....	45.30	3.72
Hayti, Mo., to Grassy Bayou, Mo. (via Caruthersville).....	15.70	3.31
Gulf Junction, Mo., to Leachville, Ark.....	113.20	13.13
Clarkton, Mo., to Malden, Mo.....	7.30	1.69
Kennett, Mo., to Hayti, Mo.....	13.30	1.56
Wardell, Mo., to Deering, Mo.....	12.10	.98
Zalma, Mo., to Aquilla, Mo.....	13.40	.64
Van Duzer, Mo., to Gibson, Mo.....	56.00	5.76
Talpoosa, Mo., to Wardell, Mo.....	10.70	.19
Fort Worth, Tex., to Menard, Tex.....	233.44	42.48
Brownwood, Tex., to May, Tex.....	17.65	1.59
Texas State Line to Fort Worth, Tex.....	63.89	25.32
Red River, Tex., to Vernon, Tex.....	12.75	1.86
Red River, Tex., to Quanah, Tex.....	3.68	3.83
Red River, Tex., to Paris, Tex.....	16.94	3.36
and in case Quanah, Acme & Pacific Railway is included in New Company, Quanah, Tex., to MacBain, Tex.	8965.94	1,009.16
	78.92	
Total.....	3944.86	1,009.16

In addition, trackage is used over about 200 miles of other roads.

subject, however, as to the property embraced therein to the lien of

\$9,484,000. St. Louis and San Francisco Railway Company General Mortgage 5% and 6% Gold Bonds, due 1931 (part of \$20,100,000. whereof \$10,614,000. will eventually be deposited under the Prior Lien Mortgage or cancelled, the remaining \$2,000 having already been cancelled), and

\$5,306,000. Equipment Trust Obligations, maturing after July 1, 1917, to take up which, at or before maturity, Prior Lien Mortgage Bonds to a like principal amount (\$14,790,000) are reserved under the Prior Lien Mortgage.

In addition thereto, the New Mortgages in the order of their relative priority will be a lien on the New Company's leasehold interest in the Kansas City, Fort Scott and Memphis Railway Company, on the stocks, preferred and common, of that Company, and on the New Company's interest in the various terminal companies operated jointly with other railroad companies.

REORGANIZATION AGREEMENT.

Agreement, dated the first day of November, 1915, between J. & W. SELIGMAN & CO. and SPEYER & CO., respectively co-partnerships, hereinafter called the Reorganization Managers, parties of the first part, and HOLDERS OF THE BONDS, TRUST CERTIFICATES AND STOCK hereinafter mentioned, who shall become parties to this Agreement as hereinafter provided, their successors and assigns, and the HOLDERS OF CERTIFICATES OF DEPOSIT issued under or subject to the Plan, hereinafter collectively called Depositors, parties of the second part.

In consideration of the mutual benefits to be derived from the performance hereof and of the conditions and promises herein contained and for other valuable considerations, the parties hereto agree, each of the Depositors agreeing with each of the other Depositors, as follows :

FIRST. The accompanying Plan is and shall be taken to be a part of this Agreement with the same effect as though each and every provision thereof had been embodied herein and said Plan and this Agreement shall be read as parts of one and the same paper.

SECOND. The following bonds, trust certificates and stock may be deposited under the Plan and this Agreement on the terms stated herein and in the Plan :

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY :

Refunding Mortgage Four Per Cent. Gold Bonds (hereinafter called Refunding Mortgage Bonds).
General Lien 15-20 Year Five Per Cent. Gold Bonds (hereinafter called General Lien Bonds).
Consolidated Mortgage Four Per Cent. Gold Bonds.
Southwestern Division First Mortgage Five Per Cent. Gold Bonds.
Central Division First Mortgage Four Per Cent. Gold Bonds.
Northwestern Division First Mortgage Four Per Cent. Gold Bonds.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY :

Trust Mortgage Five Per Cent. Gold Bonds of 1887.
Trust Mortgage Six Per Cent. Gold Bonds of 1880.
Missouri and Western Division First Mortgage Six Per Cent. Gold Bonds.

ST. LOUIS, WICHITA AND WESTERN RAILWAY COMPANY :

First Mortgage Six Per Cent. Gold Bonds.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY :

Kansas City, Fort Scott & Memphis Railway Company Guaranteed 4% Preferred Stock Trust Certificates.

MUSKOGEE CITY BRIDGE COMPANY :

First Mortgage Five Per Cent. Gold Bonds.

ST. LOUIS, MEMPHIS AND SOUTHEASTERN RAILROAD COMPANY :

First Mortgage Four Per Cent. Gold Bonds.

CHESTER, PERRYVILLE AND STE. GENEVIEVE RAILWAY COMPANY :

First Mortgage Five Per Cent. Gold Bonds.

PEMISCOTT RAILROAD COMPANY :

First Mortgage Six Per Cent. Gold Bonds.

KENNETT & OSCEOLA RAILROAD COMPANY :

First Mortgage Six Per Cent. Gold Bonds.

SOUTHERN MISSOURI AND ARKANSAS RAILROAD COMPANY :

First Mortgage Five Per Cent. Gold Bonds.

FORT WORTH AND RIO GRANDE RAILWAY COMPANY :

First Mortgage Four Per Cent. Gold Bonds.

QUANAH, ACME AND PACIFIC RAILWAY COMPANY :

First Mortgage Six Per Cent. Gold Bonds.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY :

First Preferred Stock.

Second Preferred Stock.

Common Stock.

THIRD. Frederick Strauss, James N. Wallace, Alexander J. Hemphill, Edwin G. Merrill, Harry Bronner, C. W. Cox and Breckinridge Jones, acting as a Committee under an Agreement dated June 20, 1914, of Holders of Refunding Mortgage Bonds (hereinafter called the Refunding Committee,) have adopted and approved this Plan and Agreement in the exercise of the powers conferred upon said Committee by said Agreement dated June 20, 1914 (hereinafter called the Agreement of June 20, 1914).

A copy of this Plan and Agreement has been, or will be, lodged with each of the Depositaries under the Agreement of June 20, 1914, and notice of the fact of the adoption and approval thereof by the Refunding Committee in accordance with the provisions of Article Second of the Agreement of June 20, 1914, will be published at least twice in each week for two successive weeks in the Sun and the New York Times, newspapers of general circulation published in the Borough of Manhattan, City, County and State of New York; in the Boston Herald, a newspaper of general circulation published in the City of Boston, Massachusetts; in the St. Louis Globe-Democrat, a newspaper of general circulation published in the City of St. Louis, Missouri; in the Boersen-Courier and the Berliner Boersen Zeitung, newspapers of general circulation published in Berlin, Germany; and in the Handelsblad, a newspaper of general circulation published in Amsterdam, Holland, or in other newspapers as provided in the Agreement of June 20, 1914. Every holder of a certificate of deposit under the Agreement of June 20, 1914, who shall not have exercised, within the period of thirty days after the first publication of such notice, the right of withdrawal conferred by said agreement, shall be conclusively and finally deemed for all purposes to have irrevocably waived the right of withdrawal given to such holder by said agreement, and this Plan and Agreement shall be binding on all holders of certificates of deposit who shall not so have withdrawn their deposited bonds, all of whom shall be conclusively and finally deemed for all purposes to have assented to this Plan and Agreement and the terms thereof whether they receive actual notice or not and be irrevocably bound and concluded by the same, but, notwithstanding, the rights of such holders of certificates of deposit shall be such only as are conferred by this Plan and Agreement and shall be subject to compliance with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof, and no holder of any certificate of deposit issued under the Agreement of June 20, 1914, who shall, in the manner authorized by said agreement, withdraw from said agreement or from this Plan and Agreement, shall acquire or have any rights under this Plan and Agreement. Holders of certificates for Refunding Mortgage Bonds deposited under the Agreement of June 20, 1914, who shall not exercise said right of withdrawal will be entitled to the benefits of this Plan and Agreement without the issue of new certificates.

Holders of Refunding Mortgage Bonds not heretofore deposited under the Agreement of June 20, 1914, may become entitled to the benefits of this Plan and Agreement by depositing their said bonds and coupons with some one of the Depositaries under the Agreement of June 20, 1914, on or before **April 3, 1916**, or such later date as the Reorganization Managers may from time to time determine as hereinafter provided. Such holders shall upon such deposit receive, in respect of the bonds so deposited, certificates of deposit issued under the Agreement of June 20, 1914.

Speyer & Co., acting under a Bondholders' Agreement dated May 28, 1913, between themselves and Holders of General Lien Bonds (hereinafter called the General Lien Representatives), have adopted and approved this Plan and Agreement in the exercise of the powers conferred upon them by said Bondholders' Agreement dated May 28, 1913 (hereinafter called the Agreement of May 28, 1913).

A copy of this Plan and Agreement with their written adoption and approval thereof has been, or will be, lodged by the General Lien Representatives with Bankers Trust Company of New York, the Depositary under the Agreement of May 28, 1913, for inspection by holders of certificates of deposit thereunder, and notice of the fact of such adoption and approval and of the lodging of a copy thereof with said Depositary in accordance with the provisions of Article Fifth of the Agreement of May 28, 1913, will be published at least twice in each week for three consecutive weeks in two newspapers published in each of the cities of New York, London, Frankfurt, Berlin and Amsterdam. All holders of certificates of deposit under the Agreement of May 28, 1913, who before the date specified in such advertisement (which date shall be at least four weeks after the first publication of such advertisement) shall not have exercised the right of withdrawal conferred by the Agreement of May 28, 1913, shall be deemed to have assented to this Plan and Agreement and shall be bound thereby without further act or notice, but, notwithstanding, the rights of such holders of certificates of deposit shall be such only as are conferred by this Plan and Agreement and shall be subject to compliance with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof, and no holder of any certificate of deposit issued under the Agreement of May 28, 1913, who shall in the manner authorized by said agreement, withdraw from said agreement or from this Plan and Agreement, shall acquire or have any rights under this Plan and Agreement. Holders of certificates of Bankers Trust Company for General Lien Bonds deposited under the Agreement of May 28, 1913, who shall not exercise said right of withdrawal will be entitled to the benefits of this Plan and Agreement without the issue of new certificates.

Holders of General Lien Bonds not heretofore deposited under the Agreement of May 28, 1913, may become entitled to the benefits of this Plan and Agreement by depositing their said bonds and coupons with the Depositary under the Agreement of May 28, 1913, on or before **April 3, 1916**, or such later date as the Reorganization Managers may from time to time determine as hereinafter provided. Such holders shall upon such deposit receive, in respect of the bonds so deposited, certificates of deposit of Bankers Trust Company issued under the Agreement of May 28, 1913.

This Plan and Agreement has been prepared and adopted by the Committee of Defense of the French Holders of General Lien Bonds, French Series, and by the Office National des Valeurs Mobilières, Paris, under whose direction and auspices said Committee of Defense was established, and various of such holders (1) have executed a power of attorney to L. C. Krauthoff, Esq. (hereinafter called the Attorney-in-fact), a copy of the form whereof is annexed to and made a part of the Instrument of Designation, dated August 5, 1915, of the Bankers Trust Company as Depositary for such bonds, and (2) have made deposit of said bonds subject to such power of attorney with Bankers Trust Company, as Depositary for the Attorney-in-fact. The written assent of the Attorney-in-fact to this Plan and Agreement filed with the Depositary for the Attorney-in-fact, and the written direction of the Attorney-in-fact to said Depositary to hold the bonds and coupons at any time received by said Depositary of the Attorney-in-fact subject to this Plan and Agreement, and to the order of the Reorganization Managers for the purposes of carrying the Plan and Agreement into effect, shall operate as the assent to this Plan and Agreement by all holders of certificates of deposit at any time issued by said Depositary, or by any of its agents, including The Equitable Trust Company of New York (Paris Branch); and all such holders shall be bound by such assent so expressed without further act or notice. The rights of such holders of certificates, however, shall be such only as are conferred by this Plan and Agreement, and shall be subject to compliance

with such terms as this Plan and Agreement may impose as conditions of participation in the benefits hereof. Holders of such certificates of deposit shall be entitled to the benefits of this Plan and Agreement without the issue of new certificates.

Holders of General Lien Bonds, French Series, not heretofore so deposited, may become entitled to the benefits of this Plan and Agreement by depositing with the Depositary designated by the Attorney-in-fact, or one of its agents, on or before **April 3, 1916**, or such later date as the Reorganization Managers may from time to time determine as hereinafter provided, their said bonds and coupons, accompanied by a properly executed power-of-attorney to the Attorney-in-fact. Such holders shall upon such deposit receive, in respect of the bonds so deposited, certificates of deposit of said Depositary issued pursuant and subject to the powers conferred by said power of attorney, and stamped as assenting to this Plan and Agreement.

Holders of all other securities in Article Second hereof mentioned, except stock of St. Louis and San Francisco Railroad Company, may become entitled to the benefits of this Plan and Agreement by depositing their securities with Central Trust Company of New York, as Depositary, at its office in the City of New York, on or before **April 3, 1916**, or such later date as the Reorganization Managers may from time to time determine as hereinafter provided.

Pursuant to the arrangement with a Purchase Syndicate as stated in the Plan, holders of stock of St. Louis and San Francisco Railroad Company, who shall comply with the terms and conditions of this Plan and Agreement and be entitled to the benefits hereof, may purchase from said Purchase Syndicate, new bonds and common stock (trust certificates) at the price and otherwise on the terms in this Plan and Agreement prescribed. Holders of said stock may become entitled to such right of purchase by depositing their said stock with Guaranty Trust Company of New York, the Depositary for that purpose, at its office in the City of New York, on or before **April 3, 1916**, or such later date as the Reorganization Managers may from time to time determine as hereinafter provided, and making payment at the time of deposit of **\$5** in respect of each share deposited. No stock will be received for deposit without such payment, which will be receipted for by said Depositary on the certificates of deposit. **Any depositor of stock who may desire to prepay in accordance with the Plan, the entire purchase price of the securities which such holder shall be entitled to purchase under the Plan must make his election so to do at the time of such deposit and such election will be appropriately noted on his certificate of deposit.**

All securities deposited must be in negotiable form and all stock certificates and registered bonds deposited be either endorsed in blank for transfer or accompanied by proper transfers in blank duly executed. The Refunding Mortgage Bonds, if in coupon form, must bear the coupon maturing July 1, 1914, and all subsequent coupons; the General Lien Bonds, if in coupon form, must bear the coupon maturing May 1, 1914, and all subsequent coupons; all other securities must bear all appurtenant coupons (or claims for interest, if registered) maturing after July 1, 1916. All securities (including in that term, whenever used in the Plan or in this Agreement, stock and trust certificates therefor unless the context otherwise requires) must be properly stamped for transfer in New York.

Every holder of a certificate of deposit under the Agreement of June 20, 1914, or the Agreement of May 28, 1913, who shall not have exercised any right of withdrawal under the agreement under which such certificate of deposit was issued, and every holder of a certificate of deposit issued by the Depositary for the Attorney-in-fact or any of its agents, and every holder of a certificate of deposit hereunder, and every recipient of any such certificate, shall thereby become a party to this Plan and Agreement with the same force and effect as though an actual subscriber hereto and shall be embraced within the term Depositors whenever used in this Agreement.

Holders of securities who do not become parties hereto in the manner herein provided, and within the periods fixed therefor, will not be entitled to deposit their securities or become parties to this Agreement or to share in the benefits of the Plan or of this Agreement, and shall acquire no rights hereunder, except upon obtaining an express written consent of the Reorganization Managers; and the Reorganization Managers shall have full power in their discretion, from time to time, and in general or in particular instances, and upon such general or special terms and conditions as they may see fit, to withhold or give such consent, to extend the time for making any deposits of any class of securities under this Plan and Agreement, to admit as parties to, and to participation in, the Plan and this Agreement, as Depositors hereunder, the holders of any of the securities mentioned in Article Second hereof or any other securities dealt with or affected by the Plan, and in like manner to permit the holders of such securities to become parties hereto without the actual deposit of securities; and all security holders so becoming parties shall be embraced within the term Depositors whenever used in this Agreement. The Reorganization Managers in like manner and with like effect may, upon such terms and conditions as they may determine, accept for deposit hereunder bonds without such interest coupons appertaining thereto as they may specify, and also may accept for deposit hereunder such interest coupons without the bonds to which they appertain.

The term deposited securities, whenever used in this Agreement, shall include all securities directly deposited hereunder or represented by a certificate, the holder of which shall, as in any manner herein provided, have assented to this Plan and Agreement.

FOURTH. All Depositors, except as herein otherwise provided, shall receive certificates of deposit in form to be prescribed by the Reorganization Managers specifying the security deposited, and the holders of such certificates of deposit shall be entitled (subject to any provisions contained in such certificates) to the rights and benefits, and only to the rights and benefits, specified in this Plan and Agreement as accruing to the holders of securities of the character represented by such certificates, respectively, or granted by the Reorganization Managers pursuant to the powers conferred upon them, but only upon compliance with the terms and conditions imposed by the Plan and this Agreement.

Certificates of deposit issued hereunder, or under the Agreement of June 20, 1914, or under the Agreement of May 28, 1913, or by the Depositary for the Attorney-in-fact or any of its agents, shall be transferable only subject to the terms and conditions of this Plan and Agreement and in such manner and on such conditions as the Reorganization Managers shall approve, and upon such transfer, all rights of the transferrer under this Plan and Agreement and in respect of the deposited securities represented by the certificate of deposit transferred, and in respect of any sums paid in respect of any stock represented by such certificate, and all rights under such certificate, shall pass to the transferee, and the transferees and holders of such certificates of deposit, shall, for all purposes, be substituted in place of the prior holders, subject to the Plan and this Agreement. All such transferees, as well as the original holders of certificates of deposit issued hereunder or under the Agreement of June 20, 1914, or under the Agreement of May 28, 1913, or by the Depositary for the Attorney-in-fact or any of its agents, shall be embraced within the term Depositors whenever used herein. Each such certificate of deposit may be treated by the Reorganization Managers and by the Depositaries as a negotiable instrument, and the holder for the time being, or if registered, the registered holder for the time being, may be deemed to be the absolute owner thereof and of all rights of the original Depositor of the securities in respect of which the same was issued, and neither the Depositaries nor the Reorganization Managers shall be affected by any notice to the contrary.

All holders of certificates of deposit issued hereunder in respect of stock of St. Louis and San Francisco Railroad Company bearing notation of election to prepay the entire purchase price of bonds and stock trust certificates which they are entitled to purchase under the Plan, severally and respectively agree, on behalf of themselves and their respective transferees and assigns, that prompt payment of the entire pur-

chase price of such bonds and stock trust certificates is an essential condition to the acquisition by them of Fully Paid Subscription Certificates or such bonds and stock trust certificates and that any holder of such a certificate of deposit who shall fail to make such payment within the period fixed by the Reorganization Managers shall forfeit all rights to obtain Fully Paid Subscription Certificates or to purchase bonds and stock trust certificates and all rights of purchase under the Plan, as well as the deposited stock represented by such certificate of deposit and all cash theretofore paid under the Plan or this Agreement in respect thereof or otherwise, and shall cease to have any rights whatsoever under this Plan and Agreement and forthwith upon such failure such certificate of deposit shall become null and void and of no effect. The Reorganization Managers may, however, in their discretion, from time to time, in general or particular instances and upon such general or special terms and conditions as they may see fit, enlarge or extend the time within which holders of such certificates of deposit may make such prepayment or may waive any forfeiture in respect thereof.

Upon compliance with all the terms and conditions of this Plan and Agreement, Depositors shall be entitled to receive upon the consummation of the Plan and upon surrender of their certificates of deposit in negotiable form, the new securities (but only as and when issued and ready for delivery) and any cash to which they shall respectively be entitled pursuant to the terms and provisions of this Plan and Agreement (including in the term new securities whenever used in this Agreement, Purchase Warrants and Fully Paid Subscription Certificates).

The term Depositor or the term certificate holder, whenever used herein, is intended and shall be construed to include not only persons acting in their own right, but also trustees, guardians, committees, agents and all persons acting in a representative or fiduciary capacity, and those represented by or claiming under them, and partnerships, associations, stock companies and corporations. No rights hereunder shall accrue in respect of any securities herein mentioned unless, nor until, the same shall have been subjected to the control of the Reorganization Managers and to the operation of this Plan and Agreement as herein provided.

FIFTH. Each and every Depositor hereby requests the Reorganization Managers to endeavor to carry the Plan into practical operation in its entirety or in part, to such an extent and in such manner and with such additions, exceptions and modifications as the Reorganization Managers shall deem to be for the best interests of the Depositors, or of the properties finally embraced in the Plan. Each and every Depositor for himself, and not for any other of them, does hereby sell, assign, transfer and set over to the Reorganization Managers, as joint tenants and not as tenants in common, and to the survivor and survivors of them and to their successors, each and every bond, trust certificate, share of stock, or other security or obligation or evidence thereof, deposited hereunder or represented by a certificate, the holder of which shall, as in any manner herein provided, have assented to this Plan and Agreement, and hereby agrees that the Reorganization Managers shall be, and they hereby are, vested with the legal title to, and all the power and authority of owners of, all bonds, trust certificates, stock and other securities and obligations deposited hereunder or represented by such certificates, and of all other securities, obligations and property of every nature whatsoever which may be acquired by the Reorganization Managers pursuant to the provisions of the Plan or of this Agreement. The Depositors respectively agree at any time and from time to time on demand of the Reorganization Managers to execute and deliver any and all further transfers, assignments, authorizations, powers or writings required for vesting the ownership of such securities and property in the Reorganization Managers or its nominees and also all certificates which may be required by the United States Income Tax Law and the regulations of the Treasury Department for the collection of coupons and interest on the deposited securities or any of them. The Reorganization Managers shall have and may exercise in respect of the securities deposited under or subject to this Plan and Agree-

ment all powers conferred by the Agreement of June 20, 1914, on the Refunding Committee and by the Agreement of May 28, 1913, on the General Lien Representatives. Without prejudice to the general power and authority herein granted, the Depositors hereby severally irrevocably authorize and empower the Reorganization Managers to transfer such bonds, shares of stock or other securities or obligations or property into their own names as Reorganization Managers, or into the name of their nominee or nominees; to procure or consent to any corporate action by St. Louis and San Francisco Railroad Company (hereinafter called the Railroad Company) or any of its constituent, controlled, subsidiary or lessor companies; to sign and file any written consent or instrument required or permitted by law to be signed or filed; to demand, receive and collect all moneys that may be due and owing to or payable in respect of any deposited securities or any securities acquired by the Reorganization Managers pursuant to the provisions of the Plan or this Agreement, and whether for interest, principal, dividends or otherwise; to elect, or request and cause any trustee or trustees under any mortgage or trust indenture securing the payment of any such securities to elect, to have the principal of such securities become due and payable, and at pleasure to revoke or withdraw such election or cause the same to be revoked or withdrawn; to request, direct or instruct any trustee or trustees of any such mortgage or trust indenture to prosecute foreclosure or take other proceedings for the enforcement thereof or otherwise, or for the enforcement of any such securities, or to exercise the powers or any of them conferred by such mortgage or trust indenture; to confirm and give to such trustee or trustees all such powers as in the judgment of the Reorganization Managers may be advantageous in carrying out the Plan; to make all such other requests, directions, instructions or demands upon any such trustee or trustees or otherwise as the Reorganization Managers may deem proper; to remove any such trustee or to appoint a new trustee to succeed any trustee so removed, or resigning or otherwise disabled from acting; to take or institute, or cause to be taken or instituted, or to become parties to, or exercise control over, all proceedings, legal or otherwise, give such directions, execute such papers and do or cause to be done such acts as the Reorganization Managers may consider judicious to enforce any security for, or procure the payment of, any deposited securities or otherwise to protect the rights and interests of the Depositors, or in which the Depositors may be interested, or for any of the purposes of the Plan or of this Agreement, including the right to apply for receivers, or the removal of receivers and the substitution of other receivers, or for the termination of any receivership and the delivery of any property to its owners; to discontinue or cause or consent to the discontinuance of, any actions or legal proceedings whether instituted by the Reorganization Managers or by others; to enter into settlement of any litigation now or at any time existing or threatened in whole or in part, with plenary power to enter into arrangements for decrees or orders for facilitating or hastening the course of litigation, or in any way to promote the purposes of this Plan and Agreement; to call or waive notice of, and to attend, and, either in person or by proxy, to vote at, any and all meetings of bondholders or stockholders or creditors of any corporation however convened; to terminate or to seek to dissolve or modify any trust or lease, in whole or in part, to apply for the determination of the validity thereof, or for removal of any trustees or the substitution of other trustees, or to take any other steps in respect of any trust or lease or under any provision thereof; to purchase or sell at such prices as they shall see fit, or otherwise deal in or with, or, upon such terms and conditions as in their discretion they may determine, to pay, compromise, settle or acquire any securities, obligations or indebtedness of, or claims against, the Railroad Company or any of its constituent, controlled, subsidiary or lessor companies, or its receivers, or claims constituting a lien, directly or through securities, on any part of the railroad system of the Railroad Company, or subject to any mortgage or trust indenture securing the payment of any deposited securities, or in which the Railroad Company may have any interest, direct or indirect, and, in general, any securities, obligations, indebtedness or claims which the Reorganization Managers may deem advisable, and to use for any such purpose any securities contemplated by the Plan and not specifically appropriated by the Plan to other purposes, or

any moneys coming into their hands; to enter into agreements with the holders, or any committee representing the holders, of any such securities, obligations, indebtedness or claims for the deposit thereof under the Plan and this Agreement or under the Plan and any other agreement which the Reorganization Managers may approve for the purpose, and to arrange for the payment in whole or in part of the compensation and expenses of any such committee; to have and exercise such powers in respect to all securities, obligations, indebtedness and claims so subjected to the Plan as they are authorized to exercise in respect to the deposited securities; to enter into agreements for the acquisition of, and to acquire on such terms as they may see fit, any lines of railroad or other property of any kind or nature whatsoever in the judgment of the Reorganization Managers advantageous to the New Company or for any of the purposes of this Plan and Agreement; to cause to be listed upon the New York Stock Exchange or elsewhere, any of the certificates of deposit issued hereunder and any of the new securities contemplated by the Plan; to pay the expenses of any such listing, and any taxes, fees or charges in connection therewith; to pay or discharge any taxes, fees or governmental charges, domestic or foreign, necessary or expedient for or in connection with the deposit, assignment or transfer under the Plan or this Agreement, or in pursuance thereof, of any securities, and any taxes, fees or charges imposed by any public authority wherever situated, domestic or foreign, in respect of the authorization, creation, issue or distribution of any of the new securities or otherwise in connection with the carrying out of the Plan and this Agreement; from time to time and upon such terms and conditions as the Reorganization Managers may determine, to borrow, or by guaranty or by the sale of new securities to be created or otherwise to obtain, money for any of the purposes of the Plan or this Agreement, including such sums as the Reorganization Managers may deem expedient to provide for the New Company; to charge or pledge any deposited securities, any property acquired by the Reorganization Managers pursuant to the provisions of the Plan or of this Agreement or any new securities to be issued, for the payment of any moneys borrowed or indebtedness or liability incurred; in case of any such borrowing, whether upon pledge or not, to give to the lender the promissory note or notes of the Reorganization Managers for the sums borrowed; to direct in writing the Depositary for any securities to hold the securities deposited with it and any other property, or any designated part thereof, as security for the repayment of any moneys advanced or to be advanced in accordance with this Agreement, in which case such securities and other property shall be, and shall be held by such Depositary as, security for such advance with the same effect as if they were actually deposited with the person making such advance as security for the payment thereof; to give all bonds of indemnity or other bonds, and to charge therewith the deposited securities, any property acquired by the Reorganization Managers pursuant to the provisions of the Plan or of this Agreement or new securities to be issued, or any part thereof; to do whatever, in the judgment of the Reorganization Managers, may be necessary to promote or to procure joint or separate sales of any property herein concerned, wherever situated; to adjourn the sale of any property, or any portion or lot thereof at discretion; to bid, or to refrain from bidding, at any sale, either public or private, either in separate lots or as a whole, for any property or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular rolling stock, line of railway or other property, real or personal, and at, before or after any such sale to arrange and agree for the resale of any portion of the property which the Reorganization Managers may decide to sell rather than to retain; to elect not to take any portion of any property purchased at any such sale; to hold any property purchased by the Reorganization Managers either in their names or in the name of their nominee or nominees, and to apply any deposited securities or any property acquired by the Reorganization Managers under the provisions of the Plan or of this Agreement, in satisfaction of any bid or towards obtaining funds for the satisfaction thereof, it being understood that the term property, whenever used in this Plan and Agreement, includes franchises. The amount to be bid or paid by the Reorganization Managers for any property shall be absolutely discretionary with them; and, in case of the sale to others of any property, the Reorganization Managers may receive, out of the proceeds

of such sale or otherwise, any dividend in any form accruing on any securities deposited under or otherwise subjected to the Plan and this Agreement. Nothing in the Plan or this Agreement contained shall be construed to require the Reorganization Managers to acquire the stock, bonds or property of New Mexico and Arizona Land Company or to require them to acquire any property of the Railroad Company or of any of its constituent, controlled, subsidiary or lessor companies, the acquisition of which they may not deem advisable.

SIXTH. The Reorganization Managers may procure the organization of one or more new companies wherever in their discretion they may determine, or may adopt or use any existing or future companies, and may cause to be made such consolidations, leases, sales or other arrangements, and may make such conveyances or transfers of any properties or securities acquired by the Reorganization Managers, and take such other steps as the Reorganization Managers may deem proper for the purpose of creating the new securities provided for in the Plan and carrying out all or any of the provisions thereof. They may cause the ownership of all or any property of the New Company to be either a direct ownership or ownership through bonds or shares of stock, or both, of any other company, and may cause any mortgage or mortgages securing bonds of the New Company to be either a direct lien upon any particular property, or a lien upon the bonds or shares of stock, or both, of any company owning such property. They may prescribe the form of all securities, charters, by-laws, mortgages, trust certificates and all other instruments at any time to be issued, filed or entered into in connection with the carrying out of the Plan. They may create and provide for all necessary trusts, and may nominate and appoint trustees thereunder, excepting that the Voting Trustees shall be appointed as stated in the Plan. So far as the reorganization or the issue of the securities or stock under the Plan may be subject to the approval or authorization of any public utilities or public service commission in any state in which any of the property to be acquired by the New Company is situated or in which the Reorganization Managers may in their discretion determine to organize the New Company, or of any other commission having authority in the premises, the amount of capitalization to be issued in the reorganization may be reduced by such amount as the Reorganization Managers may in their discretion determine, in order to comply with the order of, or to obtain the authorization or approval of, any such commission. In the event of such reduction of capitalization, the whole of such reduction shall be made in Common Stock and in the amount of stock trust certificates to be sold to the Purchase Syndicate as provided in the Plan, and by it in turn offered to the three classes of depositing stockholders of the Railroad Company: the amounts of stock trust certificates deliverable, respectively, under the three classes of Purchase Warrants and Fully Paid Subscription Certificates being reduced by an equal percentage. The Reorganization Managers may proceed under this Plan and Agreement or any part thereof with or without foreclosure and in case of foreclosure may exercise any power, either before or after foreclosure sale; and in every case all the provisions of this Plan and Agreement shall equally apply to and in respect of any physical properties embraced under the reorganization and to and in respect of any securities representing any such property, it being intended that for all purposes any such property and any security representing such property may be treated by the Reorganization Managers as substantially identical. In case any separate plan shall in the opinion of the Reorganization Managers become expedient to effect the reorganization of any subordinate or other company, or as to any property constituting a part of the system of the Railroad Company, the Reorganization Managers may promote and participate in any such reorganization and may deposit thereunder any securities thereby affected. The Reorganization Managers may make equitable provision for any case of lost or destroyed securities and provide for and make such issues of fractional scrip as shall be necessary appropriately to represent any fractional interest in the new securities, and may in their discretion settle for and adjust any such fractional interests in cash, and they may issue temporary or interim certificates representing new securities. They may also in their discretion set apart and hold in trust, or place in trust with any trust company, any part of the

new securities to be issued, and cash which may be received from sales of new securities, or otherwise, as they may deem judicious for the purpose of securing the application thereof for any of the purposes of this Plan and Agreement. The Reorganization Managers may receive and dispose of, or allow to be received or disposed of by any other person, firm or corporation, in accordance with any of the provisions of the Plan and of this Agreement, the new securities to be created, and they may vote or cause or allow any person, firm or corporation to vote upon any or all stock until the same shall have been transferred or distributed as contemplated in the Plan, to those entitled ultimately to receive the same. The Reorganization Managers may negotiate and contract with any persons, firms or corporations for the acquisition of property or equipment for use in the operation of the railroads or property to be acquired by the New Company under the Plan or for obtaining or granting or effecting running powers, terminal facilities, exchanges of property, or any other conveniences or operating arrangements which they may deem necessary or desirable to obtain or to grant or to effect, including arrangements for merger, consolidation, purchase, sale or lease, and any guaranty of securities, and the Reorganization Managers may make contracts therefor binding upon the New Company, and, generally, the Reorganization Managers may make and ratify such purchases, contracts, stipulations or arrangements as will in their opinion operate directly or indirectly to aid in the preservation, improvement, development or protection of any property now constituting the St. Louis and San Francisco Railroad System, or which the Railroad Company or any of its constituent, controlled, subsidiary or lessor companies has contracted to acquire, or to prevent or avoid opposition to or interference with, or otherwise aid, the successful execution of the Plan and this Agreement. The Reorganization Managers may, at public or private sale, or otherwise, and at such price or prices and upon such terms and conditions as in their discretion they may determine, dispose of any securities of the New Company left in their hands because of any failure to make deposits hereunder or for any other reason, or they may use such securities for the purpose of carrying out the reorganization in such manner as they may deem expedient.

SEVENTH. The Reorganization Managers shall be the sole and final judges as to whether and when holders of a sufficient amount of the securities of the various classes shall have assented to the Plan and this Agreement to render it advisable to declare the Plan operative, and their determination in that respect shall be final, binding and conclusive upon all Depositors. They may, in their discretion, declare the Plan operative as to all classes of securities for which provision is made in the Plan or only as to certain classes of such securities, provided that the Refunding Mortgage Bonds and the General Lien Bonds which shall have been deposited under or subject to this Plan of Agreement shall be among the securities as to which the Plan is declared operative. In case the Reorganization Managers shall declare the Plan operative as to any classes of deposited securities, they shall thereupon publish notice to that effect in the manner provided in Article Eleventh hereof. In case the Reorganization Managers shall declare the Plan operative but shall exclude therefrom any class of the deposited securities, the securities of the classes so excluded, or the proceeds thereof or substitutes therefor then under the control of the Reorganization Managers, shall be delivered to the holders of certificates of deposit representing the securities of such class in proportion to their respective interests, upon surrender of their respective certificates in negotiable form and upon payment only of such taxes as may be imposed upon the transfer and delivery of the securities represented by such certificates. The Reorganization Managers shall also have full power and authority, whenever they shall deem proper, to abandon, or to alter, modify or depart from, the Plan or any part thereof. They may, at any time or times, after any such partial abandonment, restore to the Plan any abandoned part or parts thereof, and may seek to carry the same into effect as fully as if such part or parts had not been abandoned. They may also attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that, as carried out, the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification of the Plan which in the judgment of the Reorganization Managers shall adversely affect to a material degree the Depositors of any class of securities, a statement

of such proposed change or modification shall be filed with the Depositaries of the class of securities so adversely affected, and notice of the fact of such filing shall be given as provided in Article Eleventh hereof; and holders of certificates of deposit for such particular class or classes of securities so adversely affected, may, at any time within twenty days after the first publication of such notice, upon surrender of their respective certificates in negotiable form and upon payment of (a) such taxes as may be imposed upon the transfer or delivery of the securities withdrawn, and upon payment also, in the case of holders of certificates of deposit for Refunding Mortgage Bonds or General Lien Bonds (including the French Series) or stock of the Railroad Company, of (b) their *pro rata* shares, as apportioned by the Reorganization Managers, of the expenses of the Reorganization Managers (including in that term wherever used in the Plan or this Agreement, the compensation of the Reorganization Managers and the compensation and expenses of any committee for, or other representatives of, securities dealt with under the Plan which shall have been assumed or paid by the Reorganization Managers), and (c), if the Reorganization Managers in their discretion shall so require, such sum as the Reorganization Managers in their sole and unrestricted discretion shall fix as the ratable proportion of all other indebtedness, obligations and liabilities of the Reorganization Managers to be borne by such certificate holders, withdraw from the Plan and this Agreement, and thereupon shall be entitled to receive the deposited securities represented by the certificates so surrendered, or the proceeds thereof or substitutes therefor then under the control of the Reorganization Managers, in proportion to their respective interests, and, if the Reorganization Managers shall have required the payment of any sum pursuant to subdivision (c) of this clause, certificates of interest representing their *pro rata* share as fixed by the Reorganization Managers in their sole and unrestricted discretion, of any other securities or property acquired by the Reorganization Managers and not previously or simultaneously sold, contracted to be sold or otherwise disposed of by the Reorganization Managers, or, as the Reorganization Managers in their discretion may determine, certificates in such form and with such provisions as the Reorganization Managers shall prescribe evidencing their *pro rata* interests in such securities or property and in the ultimate proceeds of any liquidation or any other dealing therewith by the Reorganization Managers. Every certificate holder not so surrendering and withdrawing within such twenty days after the first publication of such notice, shall be deemed to have assented to the proposed changes or modifications, and, whether or not otherwise objecting, shall be bound thereby as fully and effectively as if he had actually assented thereto. Any changes or modification finally made by the Reorganization Managers shall be part of the Plan and this Agreement; and all provisions and references herein concerning the Plan shall apply to the Plan so changed or modified. A change or modification of the Plan pursuant to which additional Common Stock or additional Preferred Stock carrying any dividend rate authorized by the Plan may be issued in the reorganization, shall not be deemed to affect adversely the Depositors of any class of securities or stock.

In case the Reorganization Managers shall finally abandon the entire Plan, they shall thereupon publish notice to that effect in the manner provided in Article Eleventh hereof. In case of such abandonment of the entire Plan holders of certificates of deposit shall, upon the surrender of their respective certificates in negotiable form and upon payment of (a) such taxes as may be imposed upon the transfer and delivery of the securities withdrawn, and upon payment also, in the case of holders of certificates of deposit for Refunding Mortgage Bonds or General Lien Bonds (including the French Series) or stock of the Railroad Company, of (b) such sum as the Reorganization Managers in their sole and unrestricted discretion shall fix as the ratable proportion of the expenses and all other indebtedness, obligations and liabilities of the Reorganization Managers to be borne by such certificate holders, be entitled to withdraw and receive the securities represented by the certificates of deposit so surrendered, or the proceeds of, or substitutes for, such securities then under the control of the Reorganization Managers, and in the case of holders of certificates of deposit for Refunding Mortgage Bonds or General Lien

Bonds (including the French Series) or stock of the Railroad Company, a proportionate part, as determined by the Reorganization Managers, of any other securities or property acquired by the Reorganization Managers and not previously or simultaneously sold, contracted to be sold, or otherwise disposed of by the Reorganization Managers, or, as the Reorganization Managers in their discretion may determine, certificates in such form and with such provisions as the Reorganization Managers shall prescribe evidencing such proportionate interest in such securities or property and in the ultimate proceeds of any liquidation or other dealing therewith by the Reorganization Managers in pursuance of the provisions of such certificates; provided, however, that in case of such abandonment of the entire Plan, the Refunding Committee (or a majority of the persons now constituting such Committee) and/or the General Lien Representatives and/or the Attorney-in-fact may, at or after commencement of the publication of notice of abandonment, file with each of the Depositaries for the Refunding Mortgage Bonds, or with the Depositary for the General Lien Bonds, or with the Depositary for the Attorney-in-fact, as the case may be, a plan or an agreement, or both, looking toward concerted action on behalf of the holders of the bonds of the class now represented by them, and upon such filing shall publish notice thereof in the manner prescribed in Article Eleventh hereof, and every holder of a certificate of deposit issued under the Agreement of June 20, 1914, or under the Agreement of May 28, 1913, or by the Depositary for the Attorney-in-fact or any of its agents, as the case may be, not surrendering his certificate of deposit in compliance with the provisions of this Agreement in such respect and withdrawing his securities as hereinbefore provided within a period of thirty days commencing upon the first publication of such notice of filing, shall be irrevocably and conclusively deemed to have assented to the plan or agreement, or both, so filed, and whether or not otherwise objecting shall be bound and concluded thereby as fully and effectually as if he had actually assented thereto and shall be deemed to have become a party thereto with like effect as if he had executed the same under seal, and shall cease to have any further right to withdraw his securities. Upon the expiration of said period of thirty days the Refunding Committee (or a majority of the persons now constituting such committee) or the General Lien Representatives or the Attorney-in-fact, as the case may be, so filing such plan or agreement, or both, shall thenceforth upon payment of the sums payable as hereinbefore provided in respect of withdrawals of the securities represented by certificates of deposit issued under the Agreement of June 20, 1914, or under the Agreement of May 28, 1913, or by the Depositary for the Attorney-in-fact or any of its agents, as the case may be, not so withdrawn within said period of thirty days, shall be vested under the terms of the plan or agreement, or both, so filed, as trustees of an express trust with the legal title of all the securities, certificates of interest or other property distributable in respect of such certificates of deposit upon withdrawal as hereinbefore provided.

The Reorganization Managers shall have power to determine and to apportion the ratable share of expenses, indebtedness, obligations and liabilities to be borne by each class of deposited securities and the ratable share of other securities and property, or certificates of interest therein, to be distributed to each class of deposited securities upon any withdrawal under any of the provisions of this Agreement, and the apportionments so made by the Reorganization Managers shall be final, binding and conclusive upon all the Depositors and upon any committees for, or other representatives of, such securities; provided, however, that in case of the modification or abandonment of the Plan such expenses, indebtedness, obligations and liabilities shall be apportioned only among the holders of certificates of deposit representing Refunding Mortgage Bonds, General Lien Bonds (including the French Series) and stock of the Railroad Company, and provided further, that in such case the amounts paid by holders of certificates of deposit for stock to entitle them to exercise the right of subscription conferred by the Plan, or any securities or other property acquired therewith, or the proceeds thereof, when received, shall, subject as aforesaid, be distributed or equitably adjusted among the respective holders of such certificates of deposit for stock who shall have complied with all the terms and conditions of this Plan and Agreement, in

proportion to the amounts paid in respect thereof. The abandonment of the entire Plan shall not affect any previous acts or obligations done or undertaken by the Reorganization Managers.

Every Depositor who shall exercise any right of withdrawal conferred by any provision of this Agreement shall by the surrender of his certificate of deposit and such withdrawal thereupon, without further act, be relieved from the Plan and this Agreement, and shall cease to have any rights thereunder, and the exercise of such right of withdrawal shall release and discharge the Reorganization Managers, the Depositaries and all other parties from all liability and accountability under this Plan and Agreement; provided, however, that such withdrawal shall not in any wise affect any rights or powers of the Reorganization Managers hereunder, or as may be reserved in any certificate of interest, to deal with any securities or property theretofore or thereafter acquired by the Reorganization Managers, notwithstanding the issuance to such withdrawing Depositors of certificates of interest in respect of such securities or property. Deposited securities cannot without the consent of the Reorganization Managers be withdrawn from this Plan and Agreement except as and when in this Agreement provided.

EIGHTH. Said firms of J. & W. Seligman & Co. and Speyer & Co. shall be the Reorganization Managers under this Plan and Agreement. Both firms as such Reorganization Managers shall act and concur in all steps and proceedings hereunder, and no action shall be taken except with the assent of both firms. Each of said firms shall act as a co-partnership, and in case of any change in either of said firms, the respective firms of J. & W. Seligman & Co. and Speyer & Co., or their respective successor firms, as from time to time constituted, shall continue as Reorganization Managers, with all the powers, rights and title vested in the Reorganization Managers hereunder. Neither the Reorganization Managers nor any of the Depositaries assume any personal responsibility for the execution of the Plan or of this Agreement, or any part of either, nor for the result of any steps taken or acts done for the purposes thereof; the Reorganization Managers, however, undertake in good faith to endeavor to execute the same. No Depositary nor either of the firms constituting the Reorganization Managers nor any member of either of said firms shall be personally liable for any act or omission of any agent or employee selected in good faith, nor for any error of judgment or mistake of law, nor in any case except for his, its or their own individual wilful malfeasance or neglect. The Reorganization Managers shall be entitled to compensation for their services in that behalf and the amount thereof when determined in accordance with the Plan shall be finally binding and conclusive upon all parties. The Reorganization Managers may form or procure the formation of the Purchase Syndicate and the Loan Syndicate described in the Plan and also any other syndicate or syndicates which they may deem advantageous for carrying out the purposes of the Plan, and may act as Managers of such syndicate or syndicates and may so act in association with others, and such syndicates shall be entitled to such compensations or commissions as are provided by the Plan or as shall be determined by the Reorganization Managers. Any member of either firm constituting the Reorganization Managers, or any of the Depositaries, or any member of the Refunding Committee, or the Attorney-in-fact, at any time, may be a Voting Trustee, and either of said firms or any member of either thereof or any corporation of which any member of either thereof may be an officer or director, or any Depositary or any officer or director of any Depositary, or any member of the Refunding Committee, or the Attorney-in-fact, or any of the Voting Trustees, or any firm in which any of the Voting Trustees or any member of the Refunding Committee or the Attorney-in-fact may be a partner, or any corporation of which any of the Voting Trustees or any member of the Refunding Committee or the Attorney-in-fact may be an officer or director, may be or become pecuniarily interested in any contracts, property or matters which this Agreement concerns, including participation in or under any syndicate agreement, as syndicate managers, syndicate subscribers or otherwise, whether or not mentioned in the Plan, or may be an incorporator, officer or director of the New Company. Any of the Depositaries may be trustee under any mortgage or agreement created or entered into in connection with the Plan or otherwise act in

any manner for the New Company or for the holder of any of the new securities. The deposited securities shall be held by the various Depositaries subject in all respects to the control of the Reorganization Managers, and any direction given by the Reorganization Managers shall be full and sufficient authority for any action of any Depositary or of any trust company or of any other custodian or of any committee or agent.

The Reorganization Managers may employ counsel, depositaries, agents and all necessary assistants and may delegate any power or authority as well as discretion; and they may incur and discharge any and all expenses which they deem reasonable for the purposes of the Plan or for carrying out or attempting to carry out the same, and as well all expenses in connection with the preparation of the Plan and this Agreement, the issue of certificates of deposit and the issue and transfer of securities, legal expenses, expenses for advertising and printing, and all taxes, all expenses of or incident to the receivership proceedings of the Railroad Company and of any of its subsidiary or controlled companies, all expenses and compensation of depositaries, all organization and other expenses of the New Company and of any other company or companies utilized in connection with the reorganization, and all other expenses in any manner connected with the Plan and this Agreement or which they may deem it expedient to incur in undertaking to promote any of the purposes thereof. The Reorganization Managers shall be the sole judge of the propriety or expediency of any and all expenses and the amount thereof. The Reorganization Managers may include as part of their expenses the compensation, expenses and liabilities, including counsel fees, of the Refunding Committee acting under the Agreement of June 20, 1914, of the General Lien Representatives acting under the Agreement of May 28, 1913, and of the Attorney-in-fact and the Committee of Defense and the Office National represented by him, all of whose accounts shall be filed with the Reorganization Managers if the Plan shall be declared operative and when approved by them, shall be finally binding and conclusive upon all parties having any interest therein; and for all their expenses, indebtedness, obligations and liabilities, the Reorganization Managers shall have a lien upon all the deposited securities and upon all property and securities acquired in the course of the reorganization, and, until their delivery or distribution, upon the new securities contemplated by the Plan.

All moneys paid under or with reference to the Plan and this Agreement shall be paid over to the Reorganization Managers, who shall as bankers hold the same (or who may deposit the same in whole or in part with any bank, bankers or trust company), subject to application for any of the purposes of this Plan and Agreement as may be most convenient, and as from time to time may be determined by the Reorganization Managers, whose determination as to the propriety and purpose of any such application shall be final, and nothing in the Plan shall be understood as limiting or requiring the application of specific moneys to specific purposes.

NINTH. The enumeration of specific powers hereby conferred shall not be construed to limit or to restrict general powers herein conferred or intended so to be; and it is hereby declared that it is intended to confer on the Reorganization Managers, in respect of all deposited securities, and in all other respects, any and all powers which the Reorganization Managers may deem expedient in or towards carrying out or promoting the purposes of this Plan and Agreement in any respect even though any such power be apparently of a character not now contemplated; and the Reorganization Managers may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as, for any reason, they may deem expedient. The Reorganization Managers may, before declaring the Plan operative, exercise any or all the powers conferred upon them by this Agreement, in whole or in part. The methods to be adopted towards carrying out this Agreement shall be entirely discretionary with the Reorganization Managers; and the Plan and this Agreement are in all respects to be liberally construed so as to enable the Reorganization Managers to carry into effect the purposes of the Plan, whether in the form hereto annexed or with such modifications or sub-

stitutions as may be made pursuant to any of the provisions of this Agreement. Anything which anywhere in the Plan or this Agreement the Reorganization Managers are authorized to do or allow to be done, they may do or allow to be done by or through such agents or agencies as in their discretion they may determine, or by or through others, with their approval, consent, or acquiescence, or by contracting therefor with any person, firm or corporation. The Reorganization Managers may construe the Plan and this Agreement, and their construction thereof or action thereunder in good faith shall be final and conclusive. They may supply any defect or omission, or reconcile any inconsistency, in such manner and to such extent as shall be expedient to carry out the same effectively and they shall be the sole and final judges of such expediency. Any action contemplated in this Plan and Agreement to be performed on or after completion of the reorganization, may be taken by the Reorganization Managers at any time when they shall deem the reorganization advanced sufficiently to justify such course, and the Reorganization Managers may defer, as they may deem expedient, the performance of any provision of this Plan and Agreement, or may commit such performance to the New Company and may cause the New Company to pay or assume any indebtedness or liabilities authorized or incurred by the Reorganization Managers or otherwise in furtherance of the Plan, or to make or assume any obligations which in the judgment of the Reorganization Managers may be expedient to carry out the Plan and this Agreement.

TENTH. All securities and other obligations deposited under this Plan and Agreement, or acquired by the Reorganization Managers under any of the provisions hereof, shall remain in full force and effect for all purposes, and shall not be deemed to have been merged, satisfied, released or discharged by any delivery of new securities, and no right or lien shall be deemed released or waived, but said securities, and obligations, and any judgment upon any of such securities or obligations, including claims and judgments for deficiencies, and all liens and equities, shall remain unimpaired, and may be enforced by the Reorganization Managers or by the New Company, or by any other assignee of the Reorganization Managers until paid or satisfied in full or expressly released. Neither the Reorganization Managers nor any security holders or other creditors of the Railroad Company, by executing this Agreement, or by becoming parties hereto, release, surrender, or waive any lien, right or claim whatsoever, and all such liens, rights, or claims shall vest unimpaired in the Reorganization Managers and their assigns or successors in interest; and any purchase or purchases by or on behalf of the Reorganization Managers, or their nominees, under any decree for the enforcement of any such lien, right or claim, shall vest the property purchased in the Reorganization Managers or their nominees, free from all interest or claim on the part of any stockholders or creditors of the Railroad Company, or any other parties. No right is conferred, nor is any trust, liability or obligation (except the agreements herein contained in favor of the Depositors) created by this Plan and Agreement or assumed hereunder, or by or for the New Company in favor of any security holder, or any other creditor, or of any holder of any claim whatsoever against the Railroad Company, nor in favor of any company now existing or to be formed hereafter (whether such claim be based on any bonds, coupons, stocks or other securities, lease, guaranty or otherwise), with respect to any securities deposited under this Agreement or any moneys paid to or received by the Reorganization Managers or the Depositaries hereunder, or with respect to any property acquired by purchase at any foreclosure sale, or with respect to any new securities to be issued, or with respect to any other matter or thing.

ELEVENTH. All calls or notices hereunder, except when herein otherwise expressly provided, shall be inserted in The Sun and the New York Times, two daily papers of general circulation in the City of New York, twice in each week for two successive calendar weeks, beginning on any day of the week. In case either of said newspapers shall not at the time be published the Reorganization Managers may select such other newspaper or newspapers of general circulation as they shall see fit in the place of the news-

paper the publication of which shall have ceased. Any call or notice whatsoever when so published by the Reorganization Managers shall be taken and considered as though personally served on all parties hereto and upon all parties bound hereby, as of the date of the first insertion thereof, and such publication shall be the only notice required to be given under any provision of this Plan and Agreement.

TWELFTH. The accounts of the Reorganization Managers shall be filed with the Board of Directors the New Company within one year after its organization shall have been completed, unless a longer time be granted by said Board. The accounts, when approved by such Board of Directors and until disapproved by said Board, shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Reorganization Managers shall be discharged. The acceptance of new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities in any particular to any provisions of the Plan; and the acceptance of new securities by the holders of a majority in amount of the certificates of deposit for any class of securities shall in each case respectively so estop all holders of certificates of deposit for securities of that class, and shall constitute a release and discharge of the Reorganization Managers, the committee or other representative issuing the certificates of deposit in respect of the securities of such class and the Depositaries on the part of all the holders of all outstanding certificates for securities of such class, from all liability and accountability of any kind, character and description whatsoever, save the obligation to make delivery of a like *pro rata* amount of cash, securities or other property or certificates of interest therein upon the surrender of outstanding certificates of deposit for securities of such class.

THIRTEENTH. The Plan and this Agreement shall bind and benefit the several parties, including the Depositors hereunder, their and each of their survivors, heirs, executors, administrators, successors and assigns. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument.

In witness whereof the Reorganization Managers have subscribed this Agreement, or a counterpart thereof, as of the date hereof and the Depositors have become parties hereto in the manner hereinbefore provided.

J. & W. SELIGMAN & CO., SPEYER & CO.,
Reorganization Managers.

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END OF
TITLE